

**STREET TRADING IN SOUTH AFRICA: AN INVESTIGATION WITH THE  
EMPHASIS ON THE POLICIES OF MAJOR LOCAL AUTHORITIES  
TOWARDS STREET TRADING**



Assignment presented in partial fulfilment of the requirements for the degree of Master  
of Town Planning at the University of Stellenbosch.

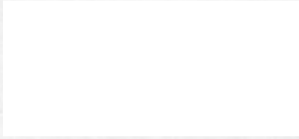
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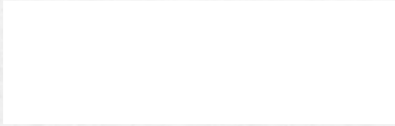
### **Declaration**

I, the undersigned, hereby declare that the work contained in this assignment is my own original work and that I have not previously in its entirety or in part submitted it at any university for a degree.

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## **Abstract**

Informal street trading is an aspect with which South Africa's ever growing cities need to cope. Since the earliest times, trade has played an important role in creating livelihoods for many people. In today's society – characterised by unemployment and underdevelopment – informal street traders have recognised that there is a gap in the market, and thus, by plying their trade they created a sustainable livelihood for themselves. It has to be admitted that town planning over the years neglected the role of the informal street trader, and not much was done by way of creating a city sphere to accommodate the street trader.

In chapter two of this study the discussion addresses the historical role and activities of the informal street trader, and surveys aspects of legislation and racism that played a prominent role in previous times. Authorities did not regard informal trading in a positive light and many harsh steps were taken against street traders. This provides one of the reasons why no latitude was granted to informal street trading and why South Africa's existing efforts to accommodate informal street trade could at best be described as dismal.

In chapter three the role and extent of informal trading in the economy is discussed. A study was made of the possible reasons why the informal street trade has emerged, and the contribution of the informal trade towards South Africa's Gross Domestic Product, is also dealt with. Today informal street trade is viewed as one of the ways by means of which to alleviate South Africa's existing employment crisis and accommodation of the informal street trade is seen as a top priority.

When considering the phenomenon of informal street trading, it is impossible to ignore the people who are involved in this sector. They have created not only jobs for themselves, but a sustainable way of living. Chapter four attends to the characteristics of the informal street trader and also addresses the problems and challenges that these people have to face. Addressing these problems or challenges is not an easy task, and one of the major problems in this respect has been the question of legislation. Informal street trading needs to be directed

through laws and policies, aimed at addressing traders' needs and which are proactive in creating a positive trading environment. In chapters five and six the legislation and regulation of informal street trading in three of South Africa's major metropolitan cities – Cape Town, Port Elizabeth and Durban – are reported. Chapter seven contains the conclusions of the study, followed by some policy recommendations. These are based on the findings made in the study on informal street trading, and could possibly enhance the proactive control and development of informal street trading.



## Opsomming

Informele straathandel is 'n verskynsel wat volop in Suid-Afrikaanse stede voorkom. Handel is verantwoordelik vir die skep van werksgeleenthede en in vandag se samelewing, wat gekarakteriseer word deur armoede en werkloosheid, bied informele straathandel 'n uitweg aan menige persone om 'n bestaan te voer. Deur die jare het stadsbeplanning nie die nodige aandag aan die informele straathandelsektor gegee nie en meeste Suid-Afrikaanse stede kan nie hierdie tipe aktiwiteit suksesvol akkommodeer nie.

In hoofstuk twee van hierdie studie word daar ondersoek ingestel na die historiese agtergrond en aktiwiteite van die informele straathandelaar en word kwessies soos wetgewing en rasisme aangespreek. Owerhede het tydens die vorige bedeling nie die straathandel as 'n positiewe aspek van Suid-Afrika se groeiende stede beskou nie en sterk maatreëls is teen straathandelaars geneem. Weens hierdie stappe en aksies, het dit gelei tot 'n stedelike omgewing wat nie straathandelaars vandag kan akkommodeer nie, en word dit ook as die rede beskou waarom huidige pogings tot die akkommodasie van straathandel nie as besonder suksesvol beskou kan word nie.

In hoofstuk drie word die rol en mate waartoe informele straathandel tot die land se ekonomie bydra, bespreek. Die moontlike redes is ondersoek om die ontstaan van die informele straathandelsektor te identifiseer, en ook is gekyk na die bydraes wat die straathandel tot Suid-Afrika se Bruto Binnelandse Produk maak. Vandag word die informele straathandel as 'n moontlike oplossing vir armoede en werkloosheid in Suid-Afrika beskou en word die ontwikkeling van die sektor as 'n top prioriteit hanteer.

Daar is ook ondersoek ingestel na die mense wat betrokke is in informele straathandel. Hierdie deel van die bevolking was in staat om op 'n volhoubare manier werk vir hulself te skep. Hoofstuk vier stel ondersoek in na die kenmerke van die informele straathandelaars en kyk ook na die daaglikse probleme en uitdagings wat hierdie mense beleef. Om hierdie probleme en uitdagings te bowe te kom, is nie eenvoudig nie, maar die grootste probleem vir straathandelaars spruit voort uit wetgewing oor die sektor. Informele straathandel benodig rigtinggewende wetgewing en beleid wat dié sektor se behoeftes en probleme aanspreek en ook 'n positiewe omgewing vir die straathandelaars

skep om in te werk. Hoofstukke vyf en ses stel ondersoek in na die bestaande wetgewing oor informele straathandel, soos dit aangetref word in drie van Suid-Afrika se grootste stede, Kaapstad, Port Elizabeth en Durban. In hoofstuk sewe word die gevolgtrekking en beleidsvoorstelle rondom die bevindings van die studie gemaak. Dit sal dan moontlik lei tot die bevordering en skep van 'n gunstige en pro-aktiewe omgewing waarbinne informele straathandel kan floreer.



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## **List of Acronyms**

BAM : Business Areas Management Branch

CBD : Central Business District

GDP : Gross Domestic Product

ITSBO : Informal Trading and Small Business Opportunities branch



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# Chapter 1

## Introduction

### 1.1 Introduction

Informal street trading has become an ever present aspect of the modern city landscape, especially in developing countries. History shows that it is a survivalist enterprise which has expanded, even though regulations have at various times tried to undermine informal trading. Today it is an economic activity that could, and are indeed creating jobs for many unemployed, and it is even contributing to South Africa's growing tourism industry.

Informal street trading in South Africa has increased over the last few years and this has led to a number of questions. The first: are there any policies or legislation at present to govern the informal trade effectively? Secondly: what is the role that town planning and town planners could play in this regard, and thirdly: where is the informal street trade heading in future? The purpose of this study is to investigate various facets of street trading in South Africa and the implications for town planning.

### 1.2 Problem statement

Informal street trading is seen to play an increasing role in the creation of a livelihood for many South Africans. Why is it then that the informal street trade is not properly governed and that it lacks the financial and institutional backing it so desperately needs? The above, the challenges to town planning, and the role which town planning could play in informal street trading, are in essence the problems to be addressed in this study.

### 1.3 Goals of the study

The following goals are pursued in this study:

- To review the history of informal street trading and to place it in perspective in terms of recent developments;
- establishing the importance of the informal street trade and the characteristics of the people participating in these activities;
- to give an overview of the existing problems and needs that informal street traders are facing;
- to address the issues and the role that town planners may play in creating a sustainable trading environment for the street traders;
- to establish what current legislation governs the informal trade, focusing on the three study areas: Cape Town, Port Elizabeth and Durban; and
- to make recommendations towards changes on the basis of the problems that were identified in the study areas with the focus on creating a proactive environment for the street traders.

### 1.4 Method of Research

The research consists of a review of the literature relating to applicable policies and legislation regulating and managing informal street trading and its development. It also deals with other sources of literature relating to informal street trading.

The current South African situation regarding street trading will also be studied. Three metropolitan cities – Cape Town, Port Elizabeth and Durban – were selected as areas for study. The history of street trading will also be described, since past policies and practices have played a major part in creating the current scenario. The empirical research consists of interviews with town planners and the various officials in each of the three cities who are in charge of the divisions dealing with informal street trading.



## Chapter 2

### The History of Informal Trading

#### (An Overview)

Informal trading, as we know it today, began when people were no longer able to support themselves in the formal economy. They had to find other ways and means to make a living. For the major part of the twentieth century it was not easy to start a legal business, especially if the would-be entrepreneur happened to be a black person. Through the years local authorities tried to contain and control the growth of informal sector activities and raised many restrictions and barriers to achieve their goal. Although there were support policies for the establishment of small business, it is said that these “primarily favoured whites and actually harmed, if not destroyed, black business”, (White Paper on Small Business, 1995:12). Authorities used to see black people as “temporary sojourners” (Rogerson, 1990:122), and thus no development was undertaken to ensure job security for South Africa’s growing black population.

With so many people migrating from the then so-called Homelands to cities such as Cape Town and Johannesburg for work, and ultimately not finding any, an alternative way of life started to emerge. In Johannesburg for instance “coffee-cart trading” started to emerge (Rogerson, 1990: 129) in the 1930s. These carts provided in the needs of the black urban population, and supplied food and hot drinks to them. No other provision for trading was made for these people except for the local eating-houses, but many preferred the delicacies of the coffee-carts.

The authorities were dismayed at the rate this informal trade was increasing and consequently a direct attack was launched to rid the streets of these vendors. The authorities regarded informal trade as dirty and detrimental to public health, and measures used to rid the streets of the vendors varied from local authority policies to physical removal and confiscation of goods.

The official views towards the informal street trade in earlier days were such that it led to an immediate widespread dislike towards the street trade. Not surprisingly this dislike was also reflected in the policies of the era.

Firstly the informal street trade was seen to be in conflict with the ideology of the “planner's vision by preserving a city beautiful”. It was further seen as dirty, unsightly and a backward development for an emerging city. Secondly, formal retailers lodged complaints that the street vendors were creating some unwanted competition for them. In many cases such complaints did not rest on a factual basis, for it has been recognised that the vendors bought directly from the formal retailers and wholesalers, thus supporting their businesses. A third source of legislation was based on the view that blacks were only temporary visitors to the cities and, therefore, there was no need to make any provision for their well-being. Finally, a unique situation arose whereby the black vendor was regarded as “a threat to public health and order”, (Rogerson, 1990: 122-123).

Rogerson (1990:120-121) illustrates the repression of street trading by explaining how the city authorities of Johannesburg, as representative of a typical South African local authority, developed and refined what could be termed as very sophisticated sets of anti-street trading measures. The legislative structures which historically controlled, confined, and even at times excluded street trading from the urban arena, were three-pronged. These referred to the provisions attached to licensing or the allocation of fixed stands; the creation of both so-called defended space and defended time zones where hawkers may not intrude; and finally a requirement for constant mobility. The regulations prohibited a black person from raising capital or from sharing his profits with a non-black without permission; he could not employ non-blacks; he had to submit to a medical examination and keep his books of account open for inspection – not by tax inspectors, but by township managers. He could not dispose of his business without permission and he was vulnerable to the possibility of having his trading rights cancelled. A person's right to trade could be cancelled if his municipal service levies were in arrears or if he was convicted of certain criminal offences (Tager 1988).

The negative effect of licensing procedures in Johannesburg is illustrated by the decrease in licensed informal street traders over the period 1900-1980. During its years as a mining camp, Johannesburg had 2,000 licensed hawkers. In 1930 this number was 900. Licensing became even tighter between 1948-1977 and in 1977 only 200 hawkers were licensed to trade in Johannesburg (Terblanche 2000).



It is remarkable then with all the negativity surrounding the informal trade at that time that the trade still managed eventually to emerge triumphantly. Change started to occur after the 1976 uprising of the hawkers in Soweto. Authorities were harsh in acting against the street hawkers and more often than not it led to physical violence, with the hawker coming a dismal second in the battle. Subsequently it was recognised that these activities were a lifeline for many of the black persons who could not find any employment in the formal sector, and could not go back to the Homelands for lack of money to do so. Increasingly legislative measures were amended and the attitudes of the authorities seemed to become more tolerant of the informal trade sector. Because of the emerging poverty and squalor, and the inequality between the racial groupings, authorities were searching for alternatives to solve these problems.

The launching of the International Labour Organisation's "World Employment Programme" in 1969 became another turning point in the informal hawker's struggle for a place in a growing economy. The ILO study created a power base from which informal trade support was promoted, for it "identified the informal sector as having the potential to play an important role both in providing employment and in contributing to a reorientation of the economy" (Dewar, Watson, 1990: 2). With this in mind, and in view of the uprising in Soweto of 1976, Central Government's approach towards informal trading started to change.

A further report which had an immense impact on the informal trade sector was the President's Council report of 1985. According to Terblanche (2000: 28), "The 1985 report of the President's Council in respect of small business development and deregulation can be regarded as the "birth of the deregulation phase of informal trading". This report both identified possible reasons why the informal sector developed and grew as well as certain distinct advantages of such a process. The report acknowledged that the South African economy was over-regulated and had reached a point where regulations and procedures were restricting private initiative and economic development (President's Council Report, 1985: 71). The report highlighted certain distinct advantages of the informal sector, such as producing an income – albeit quite low in many instances – and that informal operations may also serve as a training ground to assist the individual to move to more productive employment in the informal sector.

Local authorities, however, did not always follow Central Government initiatives, and there were still violent confrontations between officials and hawkers. The early 1980s then witnessed a change in attitude towards informal trading at the local government level (Rogerson, 1990: 125). This was evident in Johannesburg where there was a substantial decline in the prosecution of hawkers for minor offences, some simplification in the bureaucratic hawker license application process and a relaxation in the “move-on” regulations (Venter 1988). Further steps towards deregulation included measures providing for the acceptance of approved storage facilities as opposed to storerooms for food hawkers and a reduction from 400 meters to 100 meters of the permitted distance between street vendors of certain kinds of goods and licensed premises (Venter 1988).

By 1988 several thousand new hawker licenses were issued in the city, and it was seen as the culmination of the more enlightened attitude of the city authorities and of pressure brought to bear by the African Council of Hawkers and Informal Businesses, and of agencies such as the Small Business Development Corporation (Terblanche, 2000: 29).

In 1991, with the adoption of the Business Act (71/1991), a huge step was taken forward by compelling “provincial and local authorities to bring their policies in line with national shifts” (Mosdell, 1994: 63). The Business Act makes provision for the administration of informal trading through the local authority and compels it to make by-laws concerning their area of jurisdiction within the ambit of the Business Act. Hawkers are also required to take out a license for the sale of their products, and this will enable them to trade in specific demarcated areas set aside by the local authority. There are specific rules and regulations pertaining to the hawkers' licenses, and the overstepping of these could culminate in a fine or the confiscation of the goods. However, this may not take place without the hawkers receiving sufficient warning, and first given an opportunity to right the wrong (Business Act, 71/1991). The law introduces a much more lenient perspective towards informal trading than before, and positively attempts to promote the opportunities created by the informal trading. The Business Act will be discussed in more detail in later chapters.



Policies and laws have thus changed for the better, and the life of the informal hawker has been made a great deal easier since the informal trade's potential has been recognised.

It could thus be said that, informal street trading emerged from the poverty and inequality caused by the strict policies of Central government. Changes only emerged when black people forced the authorities to take notice of them in instances such as the 1976 uprising in Soweto, and by the creation of hawker associations and the Small Business Development Corporation. The stigma surrounding informal trade has now been lifted and views on the positive aspects of the trade are being added daily.

For a country such as South Africa, being faced with problems like poverty and inequality, informal trading could provide a means of job creation and upliftment which no other sector is in a position to do. It is therefore important to set in place a well considered and proactive policy in place which would promote informal trade and prevent past experiences from re-occurring.

## Chapter 3

# The Role and Extent of Informal Trading in the Economy

### 3.1 Introduction

Informal street trading created an economic base for those who could not survive in a capitalist formal economy. It did not receive any proper support from central or local government earlier during the twentieth century, which provides the reason why the struggle today lies to realise the potential and importance of this sector. History contains numerous examples of how harsh, and sometimes violent, actions were taken to impede the informal trade, rather than to promote it. Some economists, however, continue to question the informal trading's capability to bring about a sustainable livelihood. The White Paper on Small Business (1995: 10) has a different view altogether. It states: "Given South Africa's legacy of big business domination, constrained competition and unequal distribution of income and wealth, the small business sector is seen as an important force to generate employment and more equitable income distribution, to activate competition, exploit niche markets, enhance productivity and technical change, and through all of this stimulate economic development". Control and promotion of the informal trade could lead to job creation and also poverty relief to a certain extent, thus providing some solution to pressing issues in South Africa.

### 3.2 Reasons for the emergence of the informal trade

When one ponders the importance of informal trading, a good starting point are the reasons why the vendors on the streets are trading. Dewar and Watson (1990: 85) ascribe the number of informal hawkers in a city to three factors: One is the extent of unemployment, under-employment and poverty. Secondly, the extent to which the urban system creates trading opportunities to which such persons could respond. Thirdly one needs to consider the effectiveness of controls imposed by authorities in relation to those opportunities. Various studies undertaken by Dewar and Watson also



confirmed that there is a direct correlation between the socio-economic development of a city and the size of the informal sector within its borders.

It would be foolhardy to argue against the above-mentioned findings of Dewar and Watson, as it has been proven that if a city or country cannot provide for its people through formal channels and development, the people will learn to provide for themselves. Terblanche, (1990: 424) – in an article on informal Black retailing – stated: “The formal sector’s record in respect of job creation can at best be described as dismal. South Africa only succeeded to create 160 000 job opportunities during the past eight years”. The period referred to was the eighties. South Africa’s population has now virtually doubled since then, and our formal job creation capabilities seem to be on the decline.

If for this reason only the entrepreneurial spirit of the informal hawker should be applauded. These are the people who saw the gap and are creating jobs and a livelihood for many. This view is underscored in an article in the “Sake Burger” (Monday 8 April 1996), where it was stated that the informal sector was growing at a rapid pace and that there were than already 718 000 small businesses of the informal kind in the country.

Rogerson (1986:6-8), in a paper presented at The South African Economy after Apartheid Conference in 1986, attributes the survival of the informal trade to four actors. Firstly: the dominant capitalist sector is often preoccupied with the export economy and lacks the interest in producing and providing services for segments of the poorer domestic market. Secondly: the existence of a small-scale informal sector may be functional to the dominant capitalist mode in that it produces goods and services which capitalist firms are unable to produce profitably. These are for instance cheap food and transport. Thirdly: the informal sector serves the interests of the State in that it alleviates the unemployment crisis. It also reduces the necessity for the State to provide welfare. Finally: the informal sector itself exerts some pressure. Far from being a passive group, this sector is active in promoting its survival and is proving to be extremely durable.

As stated earlier, if the formal economy cannot provide for a city or a country's people, they will provide for themselves. It is thus understandable that the informal street trade emerged because of a lack of opportunities for a sustainable livelihood in the formal sector. The four factors discussed by Rogerson (1986: 6), supports this view. Many capitalist cities do not wish to be engaged in "wasting their time and dirtying their hands" in the so-called messy business of informal street trading. Their focus lies on maximising their profits, rather than promoting survivalist enterprises. It is also suspect whether they are capable of providing those conditions that the poorer part of the population need and could afford. This aspect then gives the informal street trader a chance to make a living. He or she would typically be exposed to the same circumstances than those persons to whom they provide a service. By and large informal traders know their needs and financial status and they are capable of understanding why a person would for instance buy half a loaf of bread rather than a whole loaf.

### 3.3 The extent of informal trading

It is important to recognise the extent of street trading and also who the members of society are taking part in these activities. In 1990 alone, street trading comprised of 33,3 % of all informal activities in South African cities (Central Statistical Services 1991). According to Kennedy (1992: 21) studies in various parts of the country indicate that this activity accounts for 40 to 50% of all informal sector business transactions. Informal trade is growing and it is becoming a more visible aspect of South African cities. The Sunday Times reported early in 1993 that "... from less than 1000 officially licensed hawkers in 1990, the total has increased to 75 000 in Johannesburg alone" (Efrat, 1993: 5). The Central Statistical Services estimated in 1990 that 2 778 028 people were involved in informal business activities. In the 1993 Household Survey, published in 1994, the figure had increased to 4 048 246 persons. The Government's White Paper on Small Business Strategy, published in March 1995, states that there are an estimated 3,5 million people involved in some type of informal business.



The significance of these figures is that this is a huge and vital sector of the economy and that a large number of people depend on informal activities as a means to survive. There is no reason to envision this sector to decrease in size over the short and medium term.

Informal street trading, as an integral part of the informal sector, is also growing rapidly. This may be illustrated by the statistics for Greater Johannesburg. In 1997 it was estimated that between 20 000 and 25 000 street hawkers operated in Greater Johannesburg, of whom between 10 000 and 20 000 were believed to be trading in the inner city area (Local Government Digest, 1997: 15). Although all figures on the informal sector should be treated with circumspection, it is clear that the informal trade is alive and well and is expanding rapidly. It is certainly leaving its mark on the cities of South Africa. It is now important to observe the economic side of these informal activities and to establish their role in promoting the country's economy.

### 3.4 The economy of informal trading

Since informal trade accommodates a comparatively large percentage of the population, it is also important to review the economic role of informal trade in South Africa's Gross Domestic Product (GDP). Because of the difficulty in keeping track of the informal trade, it seems virtually impossible to provide an exact percentage contribution which the informal trade makes to the GDP. However, a number of economic statisticians have attempted to do despite these constraints.

In their May 1994 report the Central Statistical Services attest that the contribution by the informal sector, in terms of added value, to the GDP in 1993 was estimated to be R32,8 million, or 9,2% of the official GDP (CSSI 1994). Leon Louw of the Free Market Foundation states that – depending on the definition of what constitutes the informal sector – it could be responsible for anything between 15 to 40% of South Africa's total economy (Moolman, 1990: 5). The informal street traders are normally regarded as low-income workers and, therefore, it may be more likely that their contribution towards the GDP could be closer to 10% rather than the 20 to 30% that

some writers estimate (Botha, 1990: 81). In an article in the Sunday Times Efrat, however, states that the “informal sector ...already contributes 17% to GDP” (Efrat, 1993: 5). The significance of this figure is that it seems to indicate that the informal trade is seems to be expanding, for there is an almost 7% increase from 1990 to 1993. This growth can also be linked to the more relaxed regulations and laws for informal street traders and are seen to play a promotional role rather than a restrictive one. Another factor that ought to be borne in mind is that the sector has physically grown in terms of the number of participants. The growth of the informal sector could thus also be contributed to the larger number of people trying to make a living by means of informal trading.

It has been estimated that people on the street could earn between R500 and R3000 per month (Sake Burger, 1996: 8). This supports the view that the informal street trader is not a leach, trying to suck the state funds dry and staying at home just to collect a welfare cheque every month. These people are hard at work and are able to provide for themselves and their families. It may not be a multi-million dollar business, but it provides for those people that the formal economy has by-passed. It is thus possible to state that the informal street trade and sector as a whole is capable of contributing to South Africa's GDP, even if it is only by small percentages. It is furthermore important to note that the informal trade has only shown an expansion thusfar, and it would not be unreasonable to expect this sector to play an even more significant role in future. It is then becomes safe to state that the promotion of the informal trade sector would be to South Africa's benefit. Informal street traders are not isolated in their dealings and the role and link between the street traders and the formal sector will be addressed in the following section.

### 3.5 The link between formal and informal sectors

In the previous paragraph it was noted that, as a whole, informal trade does not act alone, but it rather connects with the formal sector on a regular basis. This happens especially by means of formal retailers and wholesalers. In times past formal retailers used to be engaged in a struggle against the informal traders. They saw the informal hawkers as unwanted competition, causing their markets to narrow and luring away



would-be clients. However valid such assertions may be, these points could be contested. Not only do informal traders buy in bulk from the wholesalers, but they also fill a gap where the formal retailer cannot provide. This is clearly seen at food stalls where portions of fruit or bread are specially cut to fit the customer's needs. The formal retailer cannot do this, for it would mean breaking bulk and employing more workers to fulfil the individual and small-time customer's needs.

Pretorius (1987: 37) stated that in Welkom alone during 1987 informal hawkers bought R 18,7 million worth of goods from formal retailers. Another example was the fruit and vegetables purchased in 1989 from the City Deep market in Johannesburg. Informal traders bought an estimated R28 million worth of produce that year (Scott-Wilson 1988). A further advantage that the informal hawker brings about – as far as the formal retailer is concerned – the creation of a larger target market. The goods which the informal hawker purchases from the formal retailer reach a market which the formal retailer cannot always reach directly. Thus the informal hawker is capable of distributing goods and reaching more people, widening the market, buying more goods from the formal retailer, and increasing their turnovers.

This positive aspect does not only apply to the formal retailer, but also for the people to whom the goods are distributed. For many it is almost impossible to obtain the goods without the hawker being the supplier. Because they do not have any large overhead costs and taxes to pay, informal retailers are also in a position to provide a cheaper range of products, for their customers consist mainly of the lower-income group of the population who find it difficult to pay formal retail prices.

The fact remains that it is impossible to ignore the linkage between the informal hawker and formal retailer. The question thus arises: how should one promote and accommodate the informal trade, and create a support base from which the street traders could operate?

Most persons engaged in informal street trading are of the normal working age. It is thus clear that this economic activity creates job opportunities where there used to be none and that it contributes to the country's GDP. This sector also annually spends millions of rands in the formal retail arena, and all agree that there is a substantial

growth potential for this sector. From a planning point of view, informal street trading presents an interesting dilemma. Since no provision was made for the promotion of this type of trading in the early years – legislative or otherwise – one now needs to accommodate this expanding form of trade in the already established cities of South Africa. It is important to do so, because it has been proved that the informal sector plays an important role in job creation and poverty alleviation, and it also removes a great deal of strain on state funds.

This chapter has contributed to the study in clarifying the role and importance that informal trading could play in cities. The aim here is then to propose some policy initiatives that could accommodate informal trade in cities. Aspects, such as market infrastructure, services, legislative controls, etc. will need to be scrutinised, considered, and amended where necessary. Of even more importance is the aspect of the existing urban ecology. What kind of pressure is these informal street traders exerting on already strained resources and what is the impact of the informal trade on city structure and infrastructure in future? These aspects will be addressed in later chapters.

Having provided a better understanding of the importance of informal trade, it is now necessary to look at the people involved who are the key players, and to establish their wants, needs and problems in order to be able to address these adequately.



## Chapter 4

### The Characteristics of Informal Trading

#### Addressing the Challenges of Informal Trading

#### 4.1 Introduction

Street trading is not a big business moneymaking scheme of which government is not yet aware, but it is rather a limited enterprise with the main focus on survival. To be sure, not everybody in the informal trading business is in a mere survival mode, because some entrepreneurs have been able to develop rather lucrative businesses. To understand the role of street trading in South Africa's big cities, a study needs to be undertaken of the informal trade's essential characteristics.

#### 4.2 The characteristics of informal street trading

Firstly, the differences between the informal and formal sectors need to be elucidated. Whereas there is a considerable ease of entry into the informal sector, the formal sector has various barriers to entry. Secondly, there are almost no monopolies in the informal sector. At times monopolies control part of formal economies. Thirdly, the means of production are indigenously owned, as opposed to foreign owned production factors in parts of the formal sector. Finally, prices in the informal sector are not institutionally set like those of the formal sector (Bromley and Gerry 1999; Cross 1994; Boom and Joyce Clarke 1990).

Other characteristics of the informal street trade that are generally known, include the aspect of illegality. Immigrants and even local citizens are often not able to enter the informal market through existing channels. They then tend to turn to activities that are seen as unlawful, such as trading in prohibited areas or trading in illegal goods. Most of these enterprises are small-scale, and family members or even a single individual perform most of the work. The techniques and equipment used by informal hawkers for production are normally not capital intensive, but rather labour intensive. These

kinds of operations are privately owned, and the state does not seem to play any significant role in this respect. The informal sector is also characterised by its highly competitive nature. Further contrasts between the formal and informal sectors are presented in Table 4.1.

**TABLE 4.1 CHARACTERISTICS OF THE INFORMAL AND FORMAL SECTORS**

INFORMAL SECTOR	FORMAL SECTOR
Ease of entry to the sector	Restricted entry
High degree of resourcefulness	Frequent reliance on overseas resources
Family ownership of enterprises	Corporate ownership
Small-scale of production	Large-scale of production
Labour intensive and adapted technology	Capital intensive and imported technology
Skill acquired outside the formal school system	Formally acquired skills, often expatriate
Unregulated and competitive markets	Protected markets

(Sanyal, 1988: 69)

Another characteristic is that most of the informal street traders frequent markets in open-air low maintenance areas. This has been found to create certain problems. Sethuraman (1981: 10) states that most of the informal street traders operate in unregulated markets. For some this does not pose a problem, but for others this hampers their ability to be fully productive. There are thus no outside market mechanisms which could improve the informal traders' selling or buying power. Terblanche (1990: 425) identified eight categories of occupations which match the characteristics of the informal sector. These eight are presented in Table 4.2.

**TABLE 4.2 CATEGORIES OF OCCUPATION IN INFORMAL SECTOR**

CATEGORIES	EXAMPLES
Trade and Hawking	street hawking
Services	caddie, gardener
Crafts	back-yard mechanic
Home Crafts	bead worker, carver
Transport	passengers, goods
Scavenging	bottle collector
Accommodation	boarding, room letting
Other	sangoma, musician

(Terblanche, 1990: 425)



All eight of the categories mentioned in Table 4.2, are small-scale privately owned enterprises over which the state has no or little control; hence the fact that some are illegal. It is thus clear that in the absence of any interference from the state or other market orientated mechanisms, many informal street traders will not be able to reach the goals they have set for themselves. There is no institutional basis to support street traders, or to assist in creating viable markets for the street traders. This leads to the perception that street trading is still a survivalist enterprise.

Other aspects of the informal trade include for instance hours of operation, location of production, labour and entrepreneurs often having to trade in order to survive. Some of these businesses operate for long hours because the proprietor not only has to produce his or her own goods, but he or she would also personally have to sell the produce.

In a study done by Dewar and Watson (1981:81) in the Cape Metropolitan area, they found that most of these activities required long hours of labour per week. Tables 4.3 and 4.4 respectively illustrate the hours per week during which businesses operate and the average hours worked per week.

**TABLE 4.3 HOURS BUSINESS OPERATES PER WEEK**

	HOURS					
	0-20	21-40	41-60	61-80	81-100	101-125
Crossroads	0	8	34	17	28	0
Vrygrond	8	5	1	0	5	0
Mitchell's Plain	12	16	4	0	2	0
Heideveld	13	10	3	0	2	0
Hawkers	1	0	11	21	0	0
<b>TOTAL</b>	34	39	53	38	37	0
<b>Percentages</b>	17	19	26	19	18	0

(Dewar and Watson, 1981: 80)

**TABLE 4.4    AVERAGE HOURS WORKED PER WEEK**

LOCATION	HOURS
Crossroads	66,0
Vrygrond	36,0
Heideveld	26,6
Mitchell's Plain	27,8
Hawkers	58,1

(Dewar and Watson, 1981: 80)

The main finding is that informal traders work more hours per week than would normally be expected in a formal establishment. The informal hawker has to work long hours to keep his operation up and running.

The location of production is another element of informal trading. Production takes place mainly in the homes of the informal hawkers. They do not have the financial power to obtain other premises, and they find it easier to work from home where their family could also assist in the production process. This leads to another aspect of the informal sector, namely that the family members of the proprietor are almost always his or her employees. Payment varies from in kind to cash. Working from home, however, creates another problem. Residential areas are not zoned for business and it is difficult to control informal trading or production from taking place in these areas. In the eyes of the law this practice is illegal. This is an aspect that needs further attention, with the possible amending of legislation and zoning practices from a planning point of view.

Most, if not all, small operators do not work to supplement their incomes, but work to earn a living. In the first two chapters the importance and history of the informal trade were discussed and it was indicated that the main reason for this type of trade since its inception was the survival of those who could not find work in the formal sector. The formal economy cannot provide employment for all, and the informal sector fills the gap. It is thus necessary to take a look at those people in the informal trade, and to establish who they are and what the possible characteristics of an informal street trader could be.



### 4.3 The informal street trader

With a view to addressing the needs of hawkers, local authorities should understand and know the people they need to accommodate. Table 4.5 is a representation of the demographic profile of street hawkers in Shoshanguve, in the Northern Province. This may possibly represent a certain standard, encountered throughout the informal trading community.

**TABLE 4.5** DEMOGRAPHIC PROFILE OF STREET TRADERS IN SHOSHANGUVE

	VARIABLE	PERCENTAGE
<b>SEX</b>	Male	36.9
	Female	63.1
<b>AGE</b>	< 21 years	5.7
	21-30 years	29.8
	31-40 years	32.6
	41-50 years	22.1
	> 50 years	9.8
<b>EDUCATION</b>	No formal education	21.7
	Sub A to Std 5	49.7
	Std 6 to 9	22.2
	Std 10	5.6
	Higher than Std 10	0.8
<b>MARITAL STATUS</b>	Single	42.5
	Widowed	40.5
	Divorced	10.3
	Married	1.5
	Separated	3.9
	Cohabiting	1.3
<b>HOUSEHOLD SIZE</b>	1 person	2.8
	2-4 persons	32.7
	5-6 persons	31.9
	> 6 persons	32.6

(Nieman, 1995: 5)

Gideon Nieman (1995) conducted a study in the Shoshanguve area to determine the role that the informal sector plays. Although the above table may not necessarily be representative of all the street hawkers in the whole of South Africa, it nevertheless provides a sound indication as to the background of these people. From the table one would observe that the majority of street hawkers are female, between the ages of 31 and 40, single, with a low level of education and that they come from large families. Informal street trading is normally not gender specific, and there are many male heads of households who occupy the position as hawker. Another classification system of informal traders could take the form of the different types of traders who could be found in a specific area. As an example, the different types of informal traders who were identified in the Cape Town Metropolitan area were categorised as follows:

- Periodic traders who only trade at certain times of the day or week;
- itinerant single traders who change location several times a day in response to market flows;
- single traders who occupy a permanent location, but move themselves, their goods and self-provided infrastructure overnight;
- traders in self constructed (usually wooden) stalls which do not have foundations;
- traders who operate out of converted steel containers they have bought and have had delivered (usually converted) to a site located on public land. These are manufactured items and represent a fairly large investment by the trader;
- steel containers on public land which are fixed to a concrete base, representing further investment corresponding to an increase in actual or perceived security of tenure;
- spaza shops (home operations on private land); and
- agglomerated concentrations of traders. These represent markets of different degrees of periodic activity and of type, and permanence of infrastructure provided.

(Williamson, interview 2001)

This classification may differ from area to area or town to town, but one could expect to find similar traits wherever informal street traders are found. This type of



categorisation will help to ensure that the administration and control of the informal trade could possibly be eased, and licenses and permits could be developed to suit each of the different categories within the informal street trading community. The classification system does not only need to reflect the different types of street trading, but also the informal trade as a whole. For the planning profession this is a very important aspect. Informal trading should be viewed as an integral part of expanding and developing cities, and should thus be incorporated in future plans for developing cities. The following section will review the possible reasons why people are entering the informal street trade.

#### 4.4 Reasons why people are in the informal trade

To gain some insight in the bigger picture, one should also be aware of the reasons why these people have decided to become are traders. In a study done by Botha (1990) of various authors' works, he was able to draw up a table of possible reasons for entering the informal sector, as well as their percentage presentation and thus importance. This is illustrated in Table 4.6.

**TABLE: 4.6 REASONS FOR ENTERING THE INFORMAL SECTOR**

REASON	LOCATION					
	Mangaung	Qwaqwa	Kwandebele	Inanda	Botshabelo	Clermont
Unemployment	38,1	30,0		36,6	78,7	15,4
Higher Income	21,3	13,0	37,0		6,5	19,9
Convenience	3,0	2,5	16,0	6,0		11,6
Interest	5,6	15,5	6,0		6,3	1,9
Salary boost	3,9	3,5		4,0		
Self-employment	0,9	1,5		41,4	8,2	19,2
No alternatives	26,8	33,0	35,0	3,2		
Unspecified	0,4	1,0	6,0	8,8		32,0
<b>TOTAL</b>	100,0	100,0	100,0	100,0	100,0	100,0

(Botha, 1990: 74)

Table 4.6 provides an overall view of the reasons why people are occupied in the informal trade. Unemployment and the lack of other alternatives are the most

prominent reasons, and are seen as push factors towards the informal street trade. It is important again to realise that the informal trade is capable of creating jobs and providing better living conditions. With the reasons and characteristics of the informal street trade addressed, it is now deemed necessary to briefly look at the most common problems that the street traders experience. The following section will look at this aspect in more detail.

#### 4.5 Problems and needs of informal traders

In chapter one the historical view of the informal street trade was presented and it was found that regulations and laws were at the heart of most of the hawker's problems. Small operators are faced daily with literally hundreds of regulations promulgated at national, regional and local governmental levels which affect their operation. Louw (1982) estimated that approximately one quarter of all statutes, ordinances, by-laws and regulations in the country affected private enterprise in one way or another. These regulations affect almost all components of economic operation, like location, the ability of hawkers to enter into a business, access to premises, marketing, transport and even their ability to employ people.

These ideas are associated with the example on zoning and illegal production of goods in residential areas, as mentioned in the previous section. Because informal street traders are incapable to convert their businesses into more formal factories or establishments because of restrictions such as finance and legislation or policy, they are forced to work from home, thereby contributing to the illegal aspect of the informal trade.

Existing laws and regulations could be regarded as the most important barriers that hawkers have to overcome. These do not only affect informal street trade, but also the people involved in this trade sector. Dewar and Watson (1991: 193) state that to a degree these laws affect all private enterprises, but their impact is not equal on all. Firstly, small-scale operations are affected most: any measure which increases operational overheads even slightly, could be potentially destructive. Secondly, black operators are affected more than white operators are, because many of the laws and



regulations are historically based on racial discrimination. The coffee-cart traders discussed in chapter one illustrate this point.

Political and governmental controls over the hawkers need to be addressed so that they may freely express their need to trade and fulfil their need of survival. An example of local government control may be seen in the newspaper report, "Traders shun Yeoville's new market" (The Star, 1999: 2). Local government tried to force the informal street traders to come off the streets into a protected market area, but they had to pay high daily rates and fees for services such as toilets and showers. The traders felt that this was exorbitant and they were also dissatisfied with the size of their stalls and trading areas. They were not properly informed as to what the costs involved would be, and they felt that the City Council was manipulating them. They were in favour of relocating to the market, but because of misinformation and communication gaps in the initial phase, the City Council was faced with almost unanimous unhappiness with the final product. It is clear that better communication should be able to avoid such mishaps in future which should address the problems and needs of the informal hawkers more directly. Finance also entails a problem for informal hawkers, because many financing institutions regard the informal trade sector as illegal. The Labour Review of June 1975, states that this perceived illegality causes a limitation of access to formal sector advantages and support structures, and this also hampers the informal traders' ability to obtain credit or financial assistance from credit institutions (1975: 2-4).

Other typical problems experienced by informal traders are presented in Table 4.7.

**TABLE 4.7 TYPICAL PROBLEMS EXPERIENCED BY INFORMAL HAWKERS**

<b>PROBLEM</b>	<b>PERCENTAGE</b>
Weather	26.1
No display facilities	24.6
Spoilage of stock	11
No shelters	10.2
No capital	4.6
No place	2
No sales	1.8
Credit	1
Low income	1
Theft	1
Business management	0.8
Police	0.5
Competition	0.5
Student	0.3
Traffic	0.3
No response and no problem indicated	14.3
<b>TOTAL</b>	100

(Nieman, 1995: 7)

Other typical problems that street hawkers have to face – resulting from the non-provision of suitable locations for street trading by municipalities – are the absence of facilities such as toilets, litter removal, and water. The study by Dewar and Watson, “Unemployment and the Informal Sector: Some Proposals” (1981: 74-76), may be consulted for a comprehensive view of the problems street traders encounter. The need for store rooms, problems created by the unloading of a vehicle, having to move 100 metres every hour, prohibited areas and the obtaining of a license are other aspects which create problems for hawkers. All of these problems need to be addressed by policies for specific areas. Already mentioned above were the legislative controls that could be reconsidered with a possible view to these controls being reduced. Policy proposals will be discussed in a later chapter, with the focus on



alleviating the problems and addressing the needs of those in the informal sector – and specifically informal street traders.

This chapter enables an observer to better understand the informal trade sector and the people who participate in this sector. This is crucially important, because in addressing the existing problems and needs a deeper understanding of the informal street trader and his business becomes vital.

## Chapter 5

### Legislation for Hawkers in the Cape Metropolitan Area:

#### A brief case study

#### 5.1 Introduction

Numerous informal markets – such as Mitchell’s Plain and Green Market Square in the city centre – characterise the Cape Town Metropolitan area. Cape Town and surrounding areas are recognised as one of South Africa’s main tourist attractions, especially because of a landmark such as Table Mountain and the scenic beauty of the coastline and the winelands. It was thus of great importance for the promotion of Cape Town as a tourist location that informal hawking be promoted and controlled in the correct manner. The aim of this chapter is to review the measures by the local authority of the Greater Cape Town Unicity to promote and control informal street trading, and to establish how successful these are. Legislation and policy will thus be discussed in context of informal hawking. The focus is mainly on the inner city areas where hawking has presented most of the challenges in the past. However, attention will also be devoted to the developments taking place in township areas.

#### 5.2 Legislation and policy perspectives

Regardless of whether informal trading is considered desirable or not, this is a phenomenon which will not disappear. It thus requires a policy to guide such trade. There are two main reasons why such a policy is essential. The one is regulatory: local government has a clear responsibility to protect and enhance both the public good and also the reasonable rights of all individuals.

There are a number of ways in which informal trading could create problems in terms of public grounds. These include issues surrounding:

- Public health;
- public safety;
- conflicting needs of pedestrian and vehicular traffic;



- unreasonable nuisance (noise, smell, litter);
- negative impacts on the public spatial environment; and
- unfair competition (blocking entrances to formal retailing establishments)

Restrictions on freedom to trade should only be placed in a reasonable manner on the above mentioned public grounds. The second and more important reason for policy is that it should be pro-active. In the Constitution of the Republic of South Africa (1996), it is stated in section 152 (1) that municipalities need to:

- Provide democratic and accountable government for local communities;
- ensure the provision of services to communities in a sustainable manner;
- promote social and economic development;
- promote a safe and healthy environment; and
- encourage the involvement of communities and community organisations in the matters of local government.

From the point of view of a trading policy the three most important requirements are the need to provide services, to promote economic development and the commitment to participative governance.

Similarly, the National Small Business Act (Act No. 102 of 1996), defines a clear obligation to promote micro-enterprises. These requirements demand that the target market of policy be clearly identified. Here the importance of recognising the complexity of the informal trading sector comes into play. Clearly it is not the role of policy to assist those informal traders who are doing well to perform even better. The focus should be on independent enterprises, and the intention should be to assist these operators to be able to move eventually into the mainstream formal economy. The next section will deal with the Acts and policies used for informal trading in the Cape Metropolitan Area. The role that the Cape Town Unicity Council plays in promoting informal street trading, and the impact it has on planning for the city as a whole, will also be observed.

### 5.3 The role of the Cape Town Unicity Council

The Cape Town Unicity Council has developed a separate branch for the accommodation of informal trading. This branch falls under the purview of the Economic Development Directorate of the Planning and Economic Development cluster. The informal trading unit's role is to manage and co-ordinate the business areas of the city and to create a sustainable policy for informal trading. Experience has shown that the scope of functions of the informal trading unit is too narrow to deal with the complex range of problems experienced with creating and maintaining an orderly public environment. The Business Areas Management branch (BAM) was thus established with a focus on creating a safe environment for informal traders and shoppers alike, and securing a base from which informal street traders and formal retailers may obtain help and support.

The BAM branch has six main objectives. These are:

- Co-ordination of the various city services in the business districts;
- rapid response to dealing with problems in the business and residential districts;
- effective management and control of informal trading;
- regular liaison with the formal and informal business sector, and with civic and ratepayer associations;
- liaison with these structures in combating crime; and
- initiation of new public / private partnerships in the smaller business districts

(Marais, 1999: 2).

The above six objectives are clear-cut and underscore the view that informal trading should be promoted and supported. The branch has to take into account all the role players in the specific areas and actions may not be taken without a proper meeting of all concerned. The branch is relatively small and consists of a few individuals. Important to this study are the people, operating under the title of Area Co-ordinators, within the BAM branch. The Area Co-ordinators see to the everyday managing and directing of informal trading in the inner city areas. The Co-ordinators are, however,



not solely occupied with safeguarding the interests of the informal traders, but also help to address the problems of the formal retailers.

Each Area Co-ordinator has a duty towards a specific area. The city of Cape Town is divided into seven business districts under the purview of a dedicated Area Co-ordinator. The staff for Cape Town and the areas they serve are set out in Table 5.1.

The Area Co-ordinator assigned to the district manages all the main hawking and trading areas within the boundaries of such districts. They walk the streets and know the hawkers by name. They have been appointed from the local area and thus know the geography and the residents of the area. They focus on the day-to-day operational co-ordination and monitoring of all incidents and matters pertaining to the management of business aspects in the area. They also deal with the problems experienced by informal and formal retailers alike, and they furthermore have to deal with the public and other non-council organisations.

**TABLE 5.1 AREA CO-ORDINATORS**

AREA	CO-ORDINATOR
Cape Town CBD	Andre Jacobs
Cape Town	Fezekile Cotani
Oudekraal	
Langa	
Pinelands, Ndabeni	Oscar Solomons
Epping, Maitland	
Thornton, Philippi	
Paarden Island	
Nyanga, Guguletu	John Sipamla
Mitchell's Plain	Sedick Soeker
Strandfontein	
Woodstock	Wesley Paulse
Kenilworth	
Athlone, Rylands	Hashiem Da Costa
Gatesville	
Hannover Park	

(Paulse, 2000: 1)

In a report presented by Mr Koos Marais to the City Council, he identified ten task areas which Area Co-ordinators should address.

These ten areas are:

- Co-ordinate the area management activities within the business districts of the city;
- co-ordinate and control informal trading within business district areas;
- this includes:
  - the implementation and maintenance of stakeholder agreements based on standards and requirements in accordance with the provisions of by-laws and applicable legislation;
  - ongoing supervision and monitoring of the operation of free markets, craft markets and other informal trading to ensure adherence to lease agreements and possession of required identification cards, licenses and permits;
  - education and direction of formal and informal traders in the maintenance of cleanliness and hygiene;
- monitor the various city services in business and residential areas, make required interventions to improve service rendering and make recommendations to:
  - service co-ordinators;
  - management of services within the Council;
  - external bodies and communities;
- identify issues and problems of service, law enforcement and social nature and bring these to the notice of relevant authorities. In this respect the incumbent acts as a conduit between the communities and the city's operational units;
- liaise with formal and informal business on operational matters relating to informal trading and area management, and represent the Council as directed;
- liaise with Council and non-Council service providers and bodies on operational matters to ensure the efficient rendering of services;
- perform the following developmental and facilitation roles in the areas falling under his/her control:



- identification of training and developmental needs of the informal communities;
- actioning of business / entrepreneurial skills development;
- development of relationships and a healthy business environment;
- mediation and conflict management;
- assist with the development of informal trading / small business opportunities in the Central Business Districts;
- ongoing liaison with law enforcement bodies internal and external to Council, and participation in crime prevention programmes; and
- maintain records, keep abreast of relevant legislation and make proposals on changes to by-laws and legislation, changes to procedures and on other areas for improvement of the area management activities.

(Marais, 1999: 10-11)

The ten points mentioned above underpin the promotion and control of informal hawking. The Council sees informal hawking as a high priority, and it is thus relevant to state that the Area Co-ordinator has an important role to play in this scenario. The Area Co-ordinator has to deal with law enforcement bodies, planners, hawkers, formal retailers and residents in their areas. They co-ordinate these functions and people in order to create a positive business atmosphere. Throughout the process all parties involved in development and business are included, and each has his/her own part to play in creating a sustainable system of co-operation and development. Continuing from this perspective, the policies and legislation start to play an integral part in the process. The following section will address the policy issues, and establish how supportive they are towards the informal trader in the Cape Town Metropolitan area.

As a starting point to the discussion a closer look at the Business Act (Act No. 71 of 1991), will follow. This Act was used as the basis for the Cape Town, Port Elizabeth and Durban policies on informal street trading. It is thus necessary to develop a better understanding of the Act.

### 5.3.1 The Business Act No. 71 of 1991

The Business Act No. 71 of 1991 was seen as the turning point in South Africa's legislation on informal trading. The Act has now been incorporated into most of the by-laws on informal trading, and is used by most Town Councils as a base from which to create their own regulations. The Business Act is also central to further discussions on the Port Elizabeth and Durban Central Business Districts' informal trading policies, and will thus be reviewed here in more detail.

The Act starts by stating that the Administrator grants permission to a local authority to issue licenses for business to those who adhere to the prescribed conditions (s. 2(1)(a)-(o)). Such a licence may, however, be revoked in the event of a license holder overstepping his or her boundaries (ss. 2(2) and 2(3)). Licenses for hawkers are granted after submitting the required application and are subject to a thorough research of the applicant's background and whether he/she may have had previous convictions. The applicant is also required to "furnish such information and particulars" (s. 2(5)(b)), as may be necessary for the application.

A license may be granted on the condition that the premises and all other equipment and apparatus should comply with the specific requirements put forward by the Act (s. 2(6)(a) and (b)). These requirements include aspects of safety and health, and may relate to any apparatus, storage space, working surface, or structure used by the street trader. They may also include requirements to comply with town planning regulations. The licensing authority is empowered to make certain amendments or conditions towards the license, and the authority may also request that the license be produced upon request (s. 2(8)(a) and (b)). Licenses may be withdrawn or suspended if conditions, set out in sections 1(3), 3(1), 4(a) and (b) and 8(b), are infringed. Typical infringements include the selling of unlawful products, or unhygienic conditions where food is prepared. When a licence is withdrawn, the authority has to notify the applicant in writing, state the reasons for withdrawal and inform the applicant of his/her right to appeal (s. 2(10) and (3)).



In Section Six the Administrator makes regulations for administrative aspects such as the granting of a license, revoking licenses, appointment of inspectors, provision of administrative services etc. (s. 6(a)(1-11)). These regulations may differ from area to area and also differ between the different types of informal businesses. In Section 6A the powers of the local authority are described in dealing with informal street trading. These include the supervision and control of informal traders and their businesses, the restriction of business in certain areas such as public parks or churches, or where public safety is endangered, like on pavements or in roads. The passing of a by-law, supplementing the Business Act, is one of the ways of handling informal street trading, and the City of Cape Town's by-law is also viewed as a policy document.

The by-laws drawn up by the local authority are also subject to certain conditions. In section 6A(b) of the Business Act (1991), conditions are set out to which the local authority must adhere in adopting their by-laws for informal street traders. These would typically include matters such as not prohibiting the hawkers' activities by means of specified trading hours or stating what goods are to be traded and the by-laws may not prescribe the distances between adjoining hawkers, places or points. The by-laws may, however, impose penalties and fines regarding hawkers who infringe their rights, and the local authorities may use this measure to control the informal traders on the street.

The local authority should map out the areas in its jurisdiction where trading is prohibited and restricted. A thoroughly laid out plan needs to be submitted, outlining the specific areas, and is subject to inspection and recommendations of all those parties concerned (s. 6A (2)(a-k)). An example of such a mapped area is presented in Annexure A. The first map represents the area next to Longmarket Street, and the second map is a representation of the area across from Shortmarket Mall in Cape Town's Central Business District. The bays are numbered and marked and are allocated in this way to street traders. The street traders or peddlers are all consulted in this process and provide their recommendations so as to improve the quality of the areas in which they trade. Thereby they create an environment that is also acceptable for formal retailers.

Within the areas discussed in section 6A(2)(a-k)), the local authority would set out demarcated bays or stands, and allocate these to hawkers on the basis that they have a license and are registered as informal street traders at the local authority (s. 6A(3)). This enables the authority to better control the environment and to ensure a safer area for street traders and shoppers alike. There are also other considerations coming into play when allocating particular bays, and these will be discussed when reviewing the Cape Town Central Business District.

This brief overview of the Business Act (1991) undoubtedly bolsters the impression of the relative importance of the informal street trader. Control and promotion of the informal street trade are central to the Act which could be seen as the cornerstone for building a personalised policy that deals with informal street trading. The following section will briefly attend to the Informal Trading By-law for the Cape Metropolitan Area.

### 5.3.2 The informal trading by-law for Cape Town (P/N 522/1996)

This section will discuss the by-law (P/N 522/1996), and will look at aspects such as control and administration, demarcation of trading bays or stands, and possible services provided by the City Council for informal street traders. Lastly, certain aspects of township trading will be discussed.

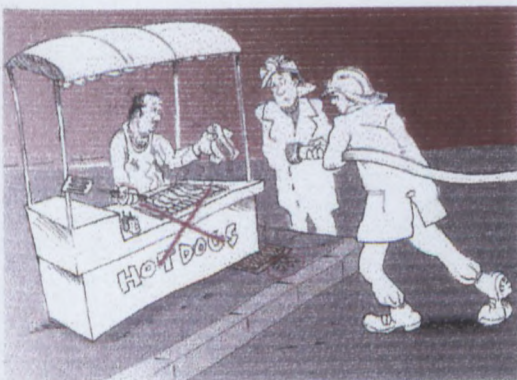
The above by-law is seen as an extension of the Business Act (Act No. 71 of 1991) and it states in more detail what the traders may or may not do. To make the by-law accessible for all, a booklet, "Tradewise" (Paulse 2000), was developed with colour drawings to enable the traders to understand the law that governs informal street trading.



### 5.3.2.1 Tradewise: A presentation of the by-law

The booklet is written in all three of the official languages of the Western Cape, Afrikaans, English and Xhosa, and is thus accessible to most of the informal traders. The booklet serves as a policy document, and also furnishes the Area Co-ordinator's telephone numbers to the informal traders. Section two of the by-law describes all the areas on which restrictions on informal trading have been placed. These include public parks, monuments, Council property and churches (s. 2(a)-(e)). Other areas include public utilities such as benches or bins, formal retailers' shop windows, pedestrian walkways, or there where signs have been erected by Council stating that trading is restricted (ss. 2(g) and (h), 8). Section three of the by-law states that informal street traders may not stay overnight at their place of business, or erect any permanent structures (s. 3(a) and (b)). No informal street trader is allowed to deface public property, make fires or create a nuisance of him/herself in any other way (s. 3 (c) and (e)).

The following sketches illustrate further areas that are restricted for trading, as presented in the Tradewise booklet.

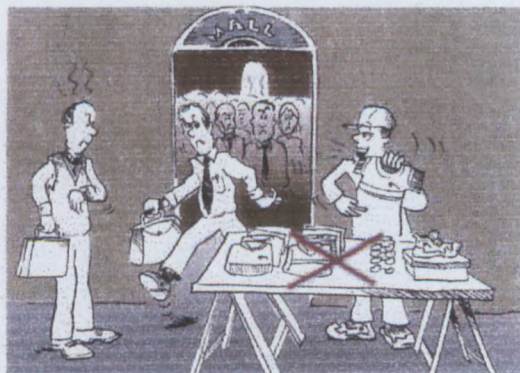


Please cooperate by not trading in these areas:

At a place where it –  
obstructs a fire hydrant;

Needa unike intsebenziswano ngokuthi ungashishini  
kwezi ndawo: Kwindawo apho –  
luthintela umbhobho osendleleni wokucima umlilo

Werk asseblief saam deur nie op die volgende plekke  
handel te dryf nie: Op 'n plek waar dit –  
'n brandkraan versper;



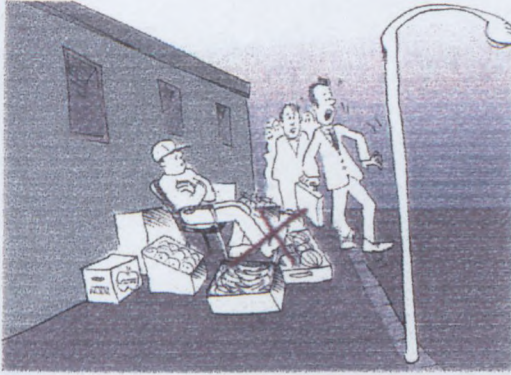
Please cooperate by not trading in these areas:

At a place where it –  
obstructs an entrance to or exit from a building;

Needa unike intsebenziswano ngokuthi ungashishini  
kwezi ndawo: Kwindawo apho –  
luthintela umnyango wokungena okanye-  
wokuphuma kwisakhiwo

Werk asseblief saam deur nie op die volgende plekke  
handel te dryf nie: Op 'n plek waar dit –  
'n ingang na of uitgang uit 'n gebou versper;





Please cooperate by not trading in these areas:

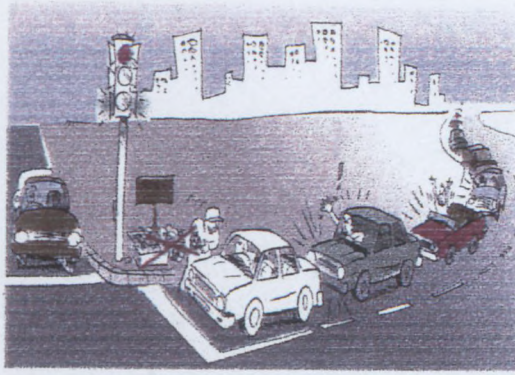
At a place where it –  
obstructs a sidewalk;

Needa unike intsebenziswano ngokuthi ungashishini  
kwezi ndawo:

Kwindawo apho –  
luthintela indlela yokuhamba esecaleni

Werk asseblief saam deur nie op die volgende plekke  
handel te dryf nie:

Op 'n plek waar dit –  
'n sypaadjie versper;



Please cooperate by not trading in these areas:

At a place where it –  
obstructs vehicles.

Needa unike intsebenziswano ngokuthi ungashishini  
kwezi ndawo:

Kwindawo apho –  
luthintela izithuthi.

Werk asseblief saam deur nie op die volgende plekke  
handel te dryf nie:

Op 'n plek waar dit –  
voertuie versper.

(Paulse, 2000: 13-14;17-18)

The hygiene of informal street traders' places of business and the protection of public health are very important aspects, and the Council expects all street traders to keep their bays clean and hygienic at all times (s. 4 (a)-(f)). If an informal trader does not comply with this rule it will be accepted that he/she is acting against the public good, and Council is entitled to take steps against him/her. The Council is expected to keep other public facilities clean, such as roads and toilets. As stated earlier in the chapter, the law and restrictions on informal traders focus on aspects of public good, and in no way inhibit the business of the informal traders. It is thus necessary to look at the measures of control and administration practised by council for informal hawkers.

## 5.4 Control and administration

The controls foreseen by the law are put into practice mainly by the issue of permits to informal traders. Informal traders have to apply to the local authority for permits, and the policy is a rapid response to applications and where there is no apparent clash with the public good, permits or licenses may not be withheld (Williamson, interview 2001). In section seven of the by-law it is stated that "Any person, whilst carrying on the business of street vendor, peddler or hawker, shall carry on his person a copy of any written authorisation required in terms of this by-law and shall on request by an



officer exhibit such authorisation" (s. 7). This enables the authority to keep track of the informal street traders and keep a record of the monthly payment for their bays. The permit is also supplied with an Annexure explaining further rules and regulations to which the informal street trader must adhere. These rules and regulations are set out in Annexure B.

The law becomes strict when it is transgressed and the removal or impoundment of goods by law officials are permitted, especially in areas where informal traders may not ply their business, or where there is a concern for the public good (ss. 5 and 9). In an interview with Mr. Williamson of the BAM branch (interview 2001), he described the steps to be taken against an informal trader who may have overstepped the mark. Firstly the Area Co-ordinator will issue a warning to the informal trader, explaining the offence that he/she has committed, after which law enforcement will follow up with a second warning if no action has been taken to mend his/her ways. The third step results in a written warning which allows the informal street trader 24 hours to rectify his/her mistake, and if the informal trader does not heed this warning, the fourth step will be the forfeiture of his/her products. The informal trader's products will only be released after the payment of a fine of R150. There are different fines and fees for different offences, and these are presented in Annexure C.

## 5.5 Demarcated stands or areas

The design considerations used in establishing the size of a trading bay have a historic origin. In earlier days informal traders were not permitted to convey tables to their trading sites, and an old door on trestles was normally used to serve as a makeshift table (Williamson, interview 2001). The size of the door and trestles today continue to be used as the standard dimensions of a trading bay.

In section six of the by-law the areas set out for trading are discussed, and it is stated that only those traders in possession of the correct license or permit would be allowed to conduct business at the relevant location. It is thus clear that the allocation of a site will depend on an informal trader having obtained a license from the Council before he/she may conduct any business. There are also other aspects to be borne in mind

with regard to the allocation of stands to informal traders. Mr. Williamson of the BAM branch (interview 2001) stated that in those instances where informal traders have been trading in an area for several years or are historically linked with an area, they may receive preferential treatment in the allocation of a stand. Other criteria used in the allocation process are aimed at ensuring a good product mix to enhance competition, allocation on a “first come - first served” basis which ensures a more fair allocation process, and if an informal trader has a good track record of payment and being law abiding, such factors would also be taken into account.

The monthly fee in the Cape Town CBD for a hawker’s stand is R125. This gives rise to the question: what criteria were used to calculate this specific amount? Williamson (interview 2001) stated that the costs of all the authorities involved in creating, maintaining and safeguarding an informal trading environment – such as the Police, Town Council, Area Co-ordinators and other service providers – are calculated. As a next step the informal traders associations are consulted and then an amount is agreed upon which would suit everybody. Furthermore the fee for a stand has to reflect the potential of the area, vary according to the size of the stand, and need not necessarily be market related (Williamson, interview 2001).

## 5.6 Services

Many of the demarcated bays do not have services, such as water and electricity. If street traders request that these services be provided, it is possible to do so. A system of “pay as you need electricity” has been installed in some of Cape Town’s trading areas, and water has been made available to flower-sellers and sellers of food products through a meter system. Other services, such as waste disposal, storage and bathroom facilities, are available on request (Williamson, interview 2001).

Storage is a major concern for many hawkers, because they need to transport all their goods and products to the trading areas, which may present problems at times. In the Cape Town Area the Area Co-ordinators are responsible for finding suitable storage space for those informal traders who need it. Mr. Williamson (interview 2001) of the BAM branch referred to an example where the empty parking garages of office



buildings are used as storage space at night at a minimal cost. Other aspects, including protection against the weather and shelter, are by and large the responsibility of the hawkers themselves. In the areas where more formal market areas will be provided in future, the above aspects will be taken into account in the development process. Safety in trading areas for shoppers and traders alike has also presented problems in the past. It is thus necessary to address this issue, and the following section will deal with the safety aspects of informal trading for Cape Town.

### 5.7 Safety on the streets

The informal street trading by-law for Cape Town and the Business Act (Act No. 71 of 1991), establish regulations and control measures by means of which the effective administration and control of street traders are regulated. It has, however, proved to be relatively difficult to promote a crime and violence free trading environment. At present there are no pertinent regulations in the Cape Metropolitan area, and street traders are left to their own devices in creating a safer environment in which they trade. The Traffic and Police Departments do patrol the inner city areas and have been known to support informal traders where problems or confrontations have arisen (Williamson, interview 2001). It seems obvious and necessary that Town Council should take a closer look at the aspect of safety in trading areas.

In chapter seven recommendations will be made regarding certain aspects of informal street trading, and the issue of safety will again be discussed there. Suggestions will also be made towards creating a safer environment for informal traders and shoppers alike. Tourism and safety goes hand in hand, and because Cape Town is one of South Africa's most popular tourist destinations, the promotion of the tourism trade is essential and informal street trading could play a major role in this respect.

### 5.8 Tourism

Cape Town attracts thousands of tourists each year, and tourism could certainly play a major role in job creation. With this objective in mind, the possibility arises of enhancing informal street trading with its focus on the tourist market. Some traditional

market sites, such as Greenmarket Square for instance, have been mainly designed to cater for the European market. It has a central location, and the product mix on offer there is interesting and attractive for local and overseas buyers. In this connection the role of town planners also comes into play, because they need to explore the possibility to create more such spaces throughout the existing city structure to accommodate this booming trade. Tourism could thus be promoted and a more sustainable livelihood for the street traders could be ensured simultaneously. The role of town planning in informal street trading is discussed further in the next section.

## 5.9 Town planning and informal street trading

Town planning plays an essential role in creating a more sustainable trading environment, and more often than not town councils turn to town planners for advice on how to accommodate street traders. Cape Town's planning problem in this respect, like most other cities, lies in the absence of any provision for accommodation having previously been made for the informal trade in the existing city structure. It was thus necessary to accommodate the informal street traders on the city's pavements in demarcated bays, or placing the traders in outlying markets (Southworth, interview 2001).

With the problem of so little space in a well-established city, the possibility of creating pedestrian walkways was introduced. This concept relies on the closing of strategically chosen streets for vehicular traffic in the central city, thus catering solely for pedestrian traffic. Once created, this space could serve as an additional market area for informal traders, because the higher level of pedestrian traffic creates an excellent opportunity for street traders. The Urban Design and Town Planning Departments of the Cape Metropolitan Authority are currently identifying possible areas for bringing about such pedestrian walkways.

Town planners should view the available space in the city as an opportunity for innovative design and development, with street trading as a major focus of activity. A correct design and proper incorporation would enhance the city's safety features and opportunities for tourism would also be promoted. Although street trading seems to



concentrate on central city areas, it nevertheless also plays an essential role in the lives of most township dwellers. The following section will give an overview of the wider scene in other parts of the Cape metropolitan area.

### 5.10 Township traders: Philippi

In the township areas more permanent structures with services, such as water and electricity, are provided to traders. The Emms Drive-Philippi development serves as an example in this regard. The Philippi railway station is a busy and well-frequented area, but not very well developed. During wintertime the mud and water cause this area to become virtually inaccessible. Barbara Southworth (interview 2001) and her team from the Cape Metropolitan Council's Urban Design Department was put to the challenge to redevelop the area surrounding the station and to create a corridor of business development along Ingulube Drive. Drawings of the different phases of development are included as Annexure D.

The focus of the development was on creating semi-permanent areas where informal hawkers may conduct their business, and to create more pleasant surroundings within the township. This gave the informal township traders the opportunity to relocate to more permanent surroundings where services are provided, including water, electricity and storage. The focal point of development was the area surrounding the station. Frequented by many commuters, this brought an untapped market to the front door steps of the traders, but this area did not constitute a safe environment for the trade. Having erected a covered market area with semi-permanent stalls and access to services, this all changed. Control in these areas is similar to the CBD, and township traders still have to apply for a license to trade, but experience has shown that there are a number of internal organisations and bodies who look after their own members' interests. For the purpose of this study it is only necessary to mention that informal street trading in townships is a matter currently being addressed.

This chapter addressed informal street trading in the Cape Town Metropolitan area. It could be concluded that informal trading in the Cape Town area is properly controlled and managed, and that the focus is on creating a participative rather than regulative

atmosphere in which the informal traders could ply their trade. The Council has thusfar been able to address the problems and needs of the informal traders successfully with the use of the Business Act (Act No. 71 of 1991) and the By-Law (522/1996). On the basis of the provisions of this legal framework the Council has created a positive trading environment, with the Area Co-ordinators on the forefront of development and control. Their policy is to promote and control informal street trading to the best of their ability, and help to create a base from which informal traders may eventually move forward into a more formal retail arena. The informal traders are not inhibited and action is only taken were the public good is adversely affected. The following chapter will be devoted to policy and control measures for informal trading in the Port Elizabeth and Durban areas, comparing the different aspects found there with those of Cape Town.



## Chapter 6

### Port Elizabeth and Durban

#### A Case Study on Informal Street Trading Legislation

##### 6.1 Introduction

Cape Town's policies and by-law could be placed in perspective by undertaking a comparative study of other major metropolitan cities. Port Elizabeth and Durban were selected because both are coastal cities, and are two of South Africa's major metropolitan areas. Both these cities have a large informal street trading population and represent most types of informal street trading that could be found. The discussion in this chapter will follow the same format as that of chapter five, with the only difference being a comparison being drawn between the three study areas.

As was stated previously, most of the South African cities rely on the Business Act (Act No. 71 of 1991) in creating their own by-laws and policies. The Act was discussed in some detail in the previous chapter and thus need not be reviewed again. This chapter will deal with the by-laws and policies applied in the Port Elizabeth and Durban areas. Aspects, such as trading activities and accommodation of informal street traders in the central business areas; impact on town planning and possible projects launched in these areas; and also job creation, safety and tourism will be scrutinised. Interviews were conducted with some of the key players in the informal trading arena in both of the cities to gain some insight into their perspective and knowledge on the role and importance of informal street trading in their respective cities.

##### 6.1.1 Port Elizabeth

The city of Port Elizabeth has the highest recorded share of poor populations, with the worst levels of poverty occurring in the city's informal shackland settlements (Bond and Mcwabeni, 1998). This explains to a large extent why so many informal street

traders may be found in the Port Elizabeth area. In an interview with Miller Mentz of the Town Planning department of the Nelson Mandela Metropolitan Municipality, he stated that street trading was a growing business in Port Elizabeth. He thought that control and regulation of informal trade was definitely needed, especially as it provided a link with job creation and the creation of a better city environment. Not much has, however, been done by way of promoting informal street trade, and a by-law (Provincial Notice No. 305 of 1998) is the only document that currently governs the informal street trade. The study will focus on what regulations are in place regarding the informal street trade, with a special emphasis on the main street of Port Elizabeth, Govan Mbeki Avenue. The identification of possible aspects of the informal street trade that may require further attention and development will also be scrutinised. Port Elizabeth is one of South Africa's busiest harbour cities and also attracts a great deal of tourism. This in turn creates the need for a well-organised system dealing with street traders.

### 6.1.2 Durban

Durban has a diverse mixture of cultures, and this scene makes for an interesting and vibrant city. Informal street traders have a long established history in the Durban central area and it could be said that the informal trade has only grown in sizeable proportion even though strict measures previously tried to contain it. The Warwick Avenue triangle and Grey Street areas – which today form the largest informal street market in the Durban area – have a long history of hawking.

Initially, Indians (Nesvåg, 2000: 2), ran most of the non-white enterprises in nineteenth century Durban. These Indian businesses came to dominate a large portion of the western parts of the Central Business District from the end of the 19<sup>th</sup> century. The prime sites for African trade developed adjacent to this Indian commercial area around Grey Street. These are the Native Market in Victoria Street and the nearby market system in Warwick Avenue, comprising the Squatters Market complex (Wheeler, interview 2001). The creation of market areas plus proactive regulations and policies imply that Durban is currently one of the more organised cities in South Africa in dealing with informal street traders.



## 6.2 The extent of informal street trading in the study areas

Although it is difficult to establish exactly how many informal street traders operate in the study areas, as well as the amount of money that circulates through this sector, it seems possible to make some general assumption in this respect. Nationally it was estimated that in 1990 there were already 2,8 million people actively involved in the informal trade, with the figure rising to an estimated 3,5 million people in 1995 (White Paper 1995).

The financial contribution which informal street trade makes towards the national GDP was estimated to be between 15% and 40% (Moolman, 1990: 5). On a smaller scale it is difficult to calculate figures for specific cities. Durban is the only city which has conducted a metro-wide census of street traders. It was found that in 1997 there were over 19 000 street traders in Durban (Skinner, 1999: 13). It was further estimated that in 1991 there were an estimated 270 000 jobs in the informal sector in Durban, against an estimated 471 000 jobs in the formal sector. The informal sector was thus responsible for creating a substantial portion of all employment. No such figures could be found for Cape Town or Port Elizabeth, but it is possible that at least one third of the cities' populations are involved in some type of informal trading (Mentz, interview 2001 and Williamson, interview 2001).

Informal street trading forms an important part of the wider informal sector. Informal street trading equally plays an important role in each of the above mentioned three cities. It is thus desirable to have the correct control and development systems in place. The by-laws and policies of these cities constitute an important element of the regulation and promotion of the informal street trade, and an analysis of existing policies and by-laws in the Port Elizabeth and Durban areas will now follow.

## 6.3 Legislation and policies in Port Elizabeth and Durban

### 6.3.1 Informal street trading by-law for Port Elizabeth

(P/N 305/1998)

The Port Elizabeth City Council approved the by-law for informal street trading on 27 August 1996 and it was the result of inputs from various business people, street trader organisations and the street traders themselves. After the by-law came into effect the Council was able to declare certain city areas restricted or prohibited trading areas. The focus of development was placed on the main street of Port Elizabeth, Govan Mbeki Avenue, and trading sites were demarcated all along this street. This was done as a pilot project, because the enormity of the task at hand, and the geographical distances between the various trading sites (Report of Executive Committee, December 1997). This led to the resolution of the unorganised state of street trading at the time (Report of Executive Committee, August 1996).

Section 2 of the by-law deals with the “prohibition on carrying on business”. It states that no person in the municipal area shall execute the business of a street vendor in a park or garden without written permission of the Council or in a building belonging to the State or Council, a church or a national monument (s. 2(a) and (b)). Furthermore no informal trading will take place in any area that the Council has declared as a prohibited area (s. 2(c)). The public good aspect contained in the Business Act (Act No. 71 of 1991), also plays an important role here. It is thus not surprising to find that no informal trading may take place in an area where it may cause an obstruction to vehicular or pedestrian traffic, or where it may obstruct the use of fire hydrants or exits of buildings (s. 2(d)).

In section 2(e), in accordance with the Business Act (No. 71 of 1991, s.6), a prohibition was placed on the selling of goods similar to a formal retailer or another vendor, adjacent to or in front of those establishments. This enables the formal retailer to continue with his business, unaffected by informal traders who may set up shop in front of such a formal shop. This also constitutes a way of protecting the rights of the formal retailers. No trading may take place in residential areas within 10 meters of an



electronic banking facility or within 1,8 meters of a shop window used to display goods (s. 2(f)-(h)). These regulations protect the formal retailer, but are also safety measures. The majority of people feel unsafe when entering a crowded market area. It has often been found that it is not the informal traders who present any danger to shoppers, but rather undesirable elements drawn to these areas who use it as a base for stealing and violence. Safety in trading areas does present a problem in Port Elizabeth, as in some of South Africa's other big cities. City Councils and town planners should bear this in mind when creating market areas, and when promotion of tourism plays an important role as it does in Port Elizabeth. The safety aspect will be discussed again later in the chapter.

Section four of the by-law addresses the possible actions of street traders that are viewed as offences. These include aspects such as damaging goods or property; no fires may be lit; goods may not be stored in manholes or storm water drains, nor may litter be disposed in a manhole or storm water drain (s. 4(a)-(f)). If a street trader does not adhere to any of these rules, or ignores any regulation, he/she will be regarded as having committed an offence (s. 4(g)). Most of these regulations are aimed at safeguarding the safety of the respective trading areas and to ensure more effective control of informal street traders. Further actions of informal street traders that are also regarded as offences, are related to the cleanliness and hygiene of trading stands, the obstruction of any public service provision, or staying overnight at the trading area (s. 4(2)(a)-(d)).

Impounding and removing goods are provided for in section 5 of the by-law. It is stated that in the event of a street trader acting in such a manner that an authorised officer believes him or her to have infringed the by-law or his/her rights, such an officer may impound their goods (s. 5(1)). When impounding a street trader's goods a receipt has to be issued to the person in charge of the goods or to the informal trader personally. The goods will be marked and placed in safe keeping until such time as the case has been resolved (s. 5(2)). The chapter also describes the steps that may be taken against an informal street trader in Port Elizabeth when he or she has acted in an unlawful way, and the problems that Council encounters in bringing criminals to justice. Section six reviews the penalties that may be passed on an informal street

trader should he/she have committed a crime. A trader may for instance be imprisoned between 10 days and 6 months.

The by-law does not dwell on the position of either the Council or of the informal street traders. There does not seem to be any provision in the by-law promoting or enhancing informal trade in any specific way or prescribing that programmes are to be established. The by-law may thus be viewed as reactive towards informal street traders. This could be seen as one of the crucial elements that needs to be addressed because if the by-law does not state specifically what needs to be done in promoting this element of trading in the city, no such measures will ever be instituted. Another element that seems to need some attention is the physical availability of the by-law on informal street trading for informal traders and business people alike. The by-law has only been published in English and Afrikaans, which further creates problems for the Xhosa speaking population of the area. Other aspects of informal street trading will be discussed in later sections of this chapter.

### 6.3.2 Durban informal street trading by-law and policy

Durban seems to be more advanced than Port Elizabeth in terms of procedures and legislation of informal street trading. A policy document has been developed for the Durban area and serves to bolster the existing by-law (Municipal Notice No. 96 of 1995) on informal street trading.

#### 6.3.2.1 Informal street trading by-law (Municipal Notice No. 96 of 1995)

Based on section 6A(2) of the Business Act, No. 71 of 1991, the by-law firstly deals with the declaration of areas which are prohibited and restricted for executing the business of a street vendor or hawker. Durban's CBD and beachfront areas are of specific relevance in this connection. By declaring its position on street trading or hawking the Town Council ensures that the public clearly understands where the boundaries have been set. In addition this also confers on the Council the legal power



for referral in a action which could lead to the infringement of the rights set out by the municipality for the informal street traders.

The by-law is very similar to that of Port Elizabeth. The main differences between the two will be elucidated here. Section two of the by-law deals with the prohibition of carrying out the business of a street trader. This section is identical with section two of the Port Elizabeth by-law, except for four minor details. Durban's by-law added in section 2(h) that the trader needs to carry with him/her at all times the relevant proof of rent for the site, and in section 2(i), it is stipulated that the street trader may not execute any business which is in contravention with the rental agreement between the street trader and the Council (Municipal Notice No. 97 of 1995).

Section 3 of the Durban by-law contains certain restrictions on street trading. Again there are some similarities between the by-laws of the two cities. The main difference is that the Port Elizabeth by-law views these restrictions as offences that are finable (s.4(1) and (2)). The attachment of any object to Council property, making of fires, storing goods in manholes or using the manholes as garbage disposal (s. 4(1)(b)-(e)), are all restrictions stipulated in the Port Elizabeth by-law, but not in the Durban by-law.

The Durban by-law differs from its Port Elizabeth counterpart in a few other details. The creation of a nuisance or the dumping of garbage on Council property, the endangerment of pedestrians viewing goods in shop windows, or the carrying on of the business as street trader in a area where signs have been erected to restrict informal trade (s. 3(a)-(c);(e);(g)), are all restrictions found in the Durban by-law, but not in that of Port Elizabeth.

Section four of the Durban by-law addresses cleanliness and hygiene pertaining to the trading areas. A whole section is devoted to the subject in the Durban by-law, and section 4(2)(a)-(d) in the Port Elizabeth by-law contains exactly the same restrictions, but declaring them as offences. The only difference appears in section 4(b) of the Durban by-law which states that no informal street trader may execute his or her business in any way that may endanger the lives of those around him/her. In later sections of the study the health aspect will be discussed again with reference to the

obtaining of a license or permit to trade. Section five of the Durban by-law states that no person may trade in a park or garden that is Council property, and section six goes on to discuss the regulations pertaining to the displaying of goods by the street traders. These are found in Sections 2(a) and 4(1)(a), of the Port Elizabeth by-law.

Regarding the removal and impounding of street traders' goods, the restrictions are exactly similar to those in the Port Elizabeth by-law, except in section 7(4) where the Durban Council will take no responsibility for the loss or damage of any of the impounded goods. The Port Elizabeth Council, however takes full responsibility, and the by-law states that all goods will be kept in safe keeping until the case has been resolved (s. 5(2)(b)). General offences and penalties are discussed in section eight of the Durban by-law and issues, such as informal street traders not complying with the rules and regulations, or ignoring the signs erected by council for the purpose of the by-law, are viewed as offences (s.8 (1)(a)-(c)). False statements or the obstruction of any authorised official could lead to a fine and even imprisonment of up to three months (s. 8(1)(d) and (e)). Penalties in the Port Elizabeth by-law are discussed in section six. They differ only slightly from those of Durban. In Durban, a person who has committed an offence and continues to do so, will be fined an extra R10 for every day that he/she continues to do so (s. 6(2)). This measure may assist in ensuring that when a street trader receives a warning or a fine that he or she will comply with it immediately, failing which the fine will be increased, which most of the informal street traders cannot afford.

Durban is also clear on the role of an employer towards an employee. In section 8 (2)(a)-(c), it is stated that where an employee is in control of the goods and an offence is committed, his or her employer is liable for conviction of the offence and criminal prosecution. This aspect is not covered by the Port Elizabeth by-law, and may create a loophole for street traders who may not be informed on the position of their employees with regard to the law.

The Durban by-law was found lacking in procedures for promoting the informal street trade, but Council has published a policy document to deal with the possible problems and promotion of informal street trade in the city.



### 6.3.2.2 Durban: informal street trading policy

The above policy was approved and accepted by both the North and the South Central Local Councils in the Durban area during October 2000. A policy is different from a by-law in that it is a document describing the possibilities and problems of a particular situation, and it also foresees achieving certain goals for the future. The Durban Informal Economy Policy (2000) fulfils all these criteria.

The structure of the policy document is as follows:

- Firstly, the aspect that needs attention is mentioned;
- secondly, the current situation of a particular aspect is described; and
- thirdly, strategies are given for administering to the problem or situation.

The document addresses issues such as the role of town planning, allocation and rental of trading sites, the registration procedure, safety and security on the streets and regulation and control (Durban's Informal Economy Policy, 2000: 7-11; 19; 25). These aspects will be discussed in more detail later in the chapter. The following are aspects that are important to this study and will be discussed in more detail:

- Management;
- information systems; and
- monitoring and evaluation mechanisms.

(Durban's Informal Economy Policy, 2000)

#### a) Management

The Informal Trading and Small Business Opportunities branch (ITSBO) was established in the Durban area for the administration of informal street trading. Together with other departments, such as the Traffic and Police departments, ITSBO created a management function. Issues that were raised here included the shortage of staff, better training for site supervisors and the recent restructuring which the Informal Trading and Small Business Opportunities branch has undergone.

To enhance the management function the following was proposed in the policy document:

- Overcoming fragmentation in the different departments, co-ordinating the work ethic;
- environmental health department made more accessible;
- the establishment of learning programmes at ITSBO;
- the establishment of Area Co-ordinators throughout the city; and
- sorting out the management problems of existing markets before the creation of new markets.

(Durban's Informal Economy Policy, 2000: 16)

## b) Information systems

Any attempt to move towards a better managed, more developmental, and co-ordinated approach, with incentives for registration and self-regulation, will need to be based on an information system which integrates the data held by all departments (Durban's Informal Economy Policy, 2000: 21). Licensing, revenue collection, health, police and ITSBO should be able to collaborate closely by means of an integrated information system.

At present there is a serious lack of information systems and it is impossible to retrieve any data for instance to link a informal street trader with a specific area, or to ascertain for what category of goods a trader may have a trading licence. This shortcoming is a major problem that needs to be addressed.

## c) Monitoring and evaluation mechanisms

To ensure that the programmes that have been implemented are effective in bringing about change, it is necessary to monitor and evaluate how well they are executed and to assess how successful/unsuccessful they are. Currently no such mechanisms have been implemented at any of the Councils, and thus no evaluation or monitoring has taken place. In Durban where large amounts of money have already been invested in the development of the informal sector, such a programme is essential to establish



where the money has been spent and what beneficial effects (if any) this may have had (Durban's Informal Economy Policy, 2000: 29).

This scrutiny is not only applicable to future developments, but should also be done for existing markets, businesses, and management procedures. An over-encompassing system should be developed to link up with the information system, eventually leading to easier access and the updating of data for future reference. The quality of the information and the assessment of certain developments will thus be enhanced.

The policy is a guideline that serves to bring about change and to make proposals to rectify an existing situation. The Durban policy document, together with the by-law, will create the necessary proactive environment in which informal street trading could thrive.

## 6.4 Administration and control

### 6.4.1 Informal trading departments

In Cape Town a separate department was established for informal street trading in the city. At the best of times it is not an easy task to create a department and to facilitate the manpower to operate such a unit. Such types of operations cost millions of rands and not all Councils have those funds at their disposal. This was found to be the problem in Port Elizabeth. In an interview with Miller Mentz of the Nelson Mandela Metropolitan Municipality on 2 July 2001, and in an later interview with Pieter Broodryk, also from the Municipality, both stated that limited funds and manpower were the main causes for stagnation in the development of a department for handling informal street trading (Mentz, interview 2001 and Broodryk, interview 2001).

In Durban the opposite was found. From 1997 to 1999, a total amount of R33,24 million were allocated to improving and stimulating economic opportunities, and especially to develop the poorer sections of the population (Khosa and Naïdoo 1998.). The Metropolitan Council was able to establish the Informal Trade and Small Business Opportunities Branch (ITSBO), to manage informal street trading. The

reason for the advanced state of Durban's informal street trading sector could be ascribed to various factors:

- Firstly, street trading organisations exerted pressure on the Town Council;
- secondly, the securing of funds by Council officials assisted in supporting the programme financially;
- thirdly, the establishment of the ITSBO was a decisive step in supporting the street traders in a more positive manner; and
- lastly, the positive political climate in the Durban area was conducive to a more organised and lawful approach to the needs of the informal street traders.

(Skinner, 1999: 36)

The following table (6.1) provide data on the activities of management, development and upgrading performed by ITSBO in the Durban Central Business District (CBD):

**TABLE 6.1 FUNCTIONS OF THE ITSBO BRANCH**

MANAGEMENT	DEVELOPMENT / UPGRADING
Existing and new trading areas	Develop and upgrade new trading areas through the establishment of a multi disciplinary team
Restricted and non-restricted zones	Identify suitable land
Handle complaints	Establish running costs
Liaise and control permits	Assess attainable revenue
Issue and control permits	Report to appropriate committee
Liaise with other relevant departments and the private sector	Generate final drawings
Act as PRO for city on informal trading issues	Hand over site to contractors
Control monthly payments of traders	
Take control of site	
Allocate trading sites	

(Markewicz English and Associates, 1997: 6)



Durban's overall organisation could be compared with that of Cape Town. In terms of the departments in each of the cities, one of their main assets is the personnel being employed. Both the Business Areas Management Branch in Cape Town, and ITSBO in Durban, rely on Area Co-ordinators. A demarcated area within the cities is allocated to each of these officials. All informal and formal business concerns in a particular area may lodge complaints or request assistance from their particular Area Co-ordinators. The persons who occupy these positions are mostly drawn from within the areas that they represent, and they have an extensive knowledge of both the area and of the informal street traders (Williamson, interview 2001 and Wheeler, interview 2001). The Area Co-ordinators may also assist street traders in obtaining trading licenses, and ensure that they comply with the by-laws and policies in their areas (Skinner, 1999: 28).

There are no Area Co-ordinators in Port Elizabeth, and the Planning Department relies heavily on the assistance of the Traffic and Police Department to deal with the problems street traders may have. Attention needs to be given to this aspect, for the Traffic and Police departments are already under pressure. In establishing a proper structure to deal with the informal street traders, it will also facilitate the adoption of an appeals procedure. Appeals will be discussed later in the chapter.

With the creation of the different departments to deal with informal street trading in each of the cities, it is clear that different cities have different views about the role that street trading could and should play in their communities. Cape Town has already proved to be supportive of the informal traders, and is seen to play an important role in job creation and the promotion of the informal trade. With Durban's infrastructure and established organisation, one could only be led to believe that it should follow suit in Cape Town's footsteps. Although Port Elizabeth has no structure for the management of street traders, this cannot be ascribed to any lack of interest because it simply does not have the funds to establish a department for the management of street traders. All three of the cities are aware of the problems that the street traders need to endure and are all trying within their own limited capacity to assist and establish a proactive organisation for the street traders (Williamson, interview 2001, Wheeler, interview 2001 and Mentz, interview 2001). After establishing the policies of

Metropolitan Councils on informal street trade, it is necessary to scrutinise the different aspects of their control with regard to the informal street trader.

#### 6.4.2 Licenses and permits

One element that all three cities have in common is that all informal street traders need to have a license or a permit to be able to trade, which also implies that they have to be registered at the respective Councils.

Certain steps need to be taken to obtain a license or permit. In Cape Town applications could be made at the BAM branch, which aims to process the paperwork as quickly as possible with a view to enabling the person to start trading within the shortest possible timespan. In Durban there is a slight difference in procedure. The street trader applies at ITSBO, but the application is then passed on to the City's Health Department to obtain a fire and health certificate. The paperwork is then returned to ITSBO, where the trader will eventually be granted a permit if he/she has passed the health and fire certificates requirements (Wheeler, interview 2001). This process causes a great deal of stress among street traders, it is time consuming and expensive. ITSBO is now aiming at streamlining this process into a "one-stop centre" concept, which will reduce the cost, improve the chance of people obtaining a trading license, and simplify the application and registration procedure as a whole (Durban's Informal Economy Policy, 2001: 37).

In Port Elizabeth informal street traders apply at the municipality for trade licenses. If the street trader intends selling non-foodstuffs, a general license will be issued to him/her, but if the street trader will be selling food products and would need to operate an open fire or gas stove, then the application has to be lodged the Health Department in terms of the Health Act (Broodryk, interview 2001).

After the municipality issues the license or permit for trading, street traders need to adhere to certain regulations. One of these is that the informal street traders are expected to carry their license or permit at all times when trading. In Cape Town a document with the signed permission of the Council has to be on the trader's person



when he or she is working (Williamson, interview 2001). In Durban ITSBO is aiming at introducing a card system with a barcode so that officials will be able to swipe the card and have immediate access to the records of the particular street trader (Wheeler, interview 2001). This information will range from previous misdemeanours, to the type of products he or she may sell, and even whether or not they have previously complied with health regulations (Durban Informal Economy Policy, 2000: 37).

Other regulations are presented in an annexure to the permit that Cape Town hands to the informal street traders. This document is attached as Annexure B. The contents of this document is mostly in accordance with the Business Act (Act No. 71 of 1991). In Port Elizabeth street traders are expected to follow certain rules and regulations, contained in the by-law for informal street trading. If the informal street traders comply with all the regulations and follow the correct applications procedure, then a license will be issued to them.

Informal street traders all have to be registered and also comply with regulations to be able to trade. A discussion on offences that warrant fines, and other control measures, will follow later in the chapter. Prospective traders need to pay the prescribed fee to obtain a license. The following section will deal with the different types of costs in the respective cities.

#### 6.4.3 Costs involved in obtaining a license

It is only in Durban that a street trader needs to pay for a fire and health certificate, and in Cape Town and Port Elizabeth there are no other costs involved in the registration phase. Thereafter informal street traders have to pay only the prescribed monthly instalment to the Council (Wheeler, interview 2001, Mentz, interview 2001 and Williamson, interview 2001). Table 6.2 is a representation of the different metropolitan cities, and the amounts that the informal street traders have to pay on a monthly basis.

**Table 6.2 MONTHLY PERMIT CHARGES FOR STREET TRADING**

City	Exact Area	Amount Per Month
Cape Town	Adderley Street	R125
	Mitchell's Plain	R100
Johannesburg	CBD	R100
Durban	CBD	R10-R30
Port Elizabeth	CBD Govan Mbeki	R15 Vegetable seller R35 Stand R50 Food products

(Skinner, 1999: 23)

The monthly levy on Cape Town's informal street traders is R125 per month. The street traders and Council mutually agreed on this amount. It includes the provision of cleaning services, policing of the area, etc. In the Durban area the monthly instalment varies from R10 for a stand to R30 for a stand with a table. There are no other services included, and if other services are needed additional payments are involved. (Wheeler, interview 2001). Port Elizabeth has a classification system that distinguishes between the different types of informal traders and the monthly instalment that they have to pay. A informal street trader who sells food products needs to pay R50 per month for a stand, whereas a street trader trading in a restricted area where bays are demarcated, will have to pay R35, while fruit and vegetable sellers only need to pay a monthly levy of R15. The latter amount of R15 is mainly based on the fact that fruit and vegetable sellers are mostly women who take care after their families, and their businesses have a small turnover (Broodryk, interview 2001).

All three the city councils conducted a public participation process to determine the monthly instalment for the various informal traders in their cities. Local street trader organisations were contacted and also played a full part in the process. The focus was on improving the relationship between street trader organisations, local government and informal traders and to establish a channel of communication between all of the parties concerned (Broodryk, interview 2001 and Wheeler, interview 2001). The following are some of the street trader organisations found in the Durban area:

- Self Employed Women's Union;
- African Council of Hawkers and Informal Businesses;



- Kwazulu-Natal United Informal Business Association; and
- JABULANI.

(Khosa and Naidoo 1998)

Street trader organisations are seen to play a crucial role in informing local government and the public of the problems and the needs of informal street traders. These organisations gave rise to the establishment of a more organised and better developed trading environment, with by-laws and policies that are acceptable to both informal traders and the metropolitan councils.

Although the by-laws and policies prescribe certain regulations with which street traders need to comply, one cannot discount the possibility of an informal street trader acting in contravention of a by-law or regulation. Municipalities have developed different ways to deal with traders contravening by-laws and regulations. The following section will deal with the steps to be taken against a street trader who has acted unlawfully.

#### 6.4.4 Infringement of trading regulations

In Cape Town street traders receive a certain number of oral and written warnings and, if they should ignore these, their goods will be impounded (Williamson, interview 2001). Durban has a similar procedure, but the informal street trader only receives one oral warning, followed by two written warnings. The street trader has to sign a document acknowledging that he/she has received the warnings, and if he or she still does not comply with the regulations, the goods will be impounded and only returned after paying the fine laid down by Council. Illegal street traders, however, receive no warning and are immediately removed from the street and their goods are forfeited (Wheeler, interview 2001).

In Port Elizabeth street traders receive three oral warnings, after which they will receive a fine, varying in degree, in terms of the specific offence they have committed (Broodryk, interview 2001). A list of the offences and fines are attached as Annexure E (Informal By-law for Port Elizabeth 1996). If a street trader does not comply with

the warnings he/she has received, his or her goods will be impounded, and only be released after the payment of the respective fine (Broodryk, interview 2001).

These procedures enhance the control of informal traders on the streets, but problems are still encountered. In Port Elizabeth it was found that street traders are not convicted of their crimes, because the courts are fond of dismissing the charges. In Durban the legal procedures are so lengthy and time consuming that street traders ignore the fines they receive (Broodryk, interview 2001 and Wheeler, interview 2001). To streamline this process an appeals procedure needs to be established, where street traders may appeal against wrongful treatment, but also where local government could exercise their rights, and to see to it that traders are punished who are out of line. The following section will address the appeals procedure.

#### 6.4.5 Appeals

There are quite a number of street trader organisations lobbying for the rights of the informal traders on the street. Some of these organisations support street traders by informing them on their legal position, but none has been able to have an appeals procedure for street traders instituted at local government level. Cape Town and Durban deal with the problems of the street traders through their Area Co-ordinators, but Port Elizabeth does not use this system of control and the Council often turns to the Traffic and Police departments for assistance.

With the Area Co-ordinators already in place and familiar with most of the street traders it should be relatively easy to establish a committee to deal with the queries and problems of the informal street traders. In the Durban Informal Economy Policy document (2000: 28), suggestions were made for the establishment of appeals committees. It was said that easily accessible appeals committees should be established at ward level, comprising of informal business associations, formal business, councillors, officials or community leaders. At metropolitan level a larger organisation should be established in situations where appeals committees may not be able to resolve the relevant problem.



There are, however, at present no such committees and street traders are sometimes left in the cold when it comes to legal proceedings. This aspect will be further addressed in Chapter 7 where recommendations for informal street trading control and proactive management will be suggested.

## 6.5 Physical trading environment

### 6.5.1 Design and allocation of bays or stands

The average size of a trading bay in Cape Town was found to be that of a door on trestles, which was earlier used as a substitute for a table (Williamson, interview 2001). In Durban the size of the bays vary according to the type of product being sold. Food stalls are normally larger than those of vegetable sellers. Generally it has been found that bays vary from 1 m<sup>2</sup> to 4 m<sup>2</sup> in the central city areas (Wheeler, interview 2001).

In Port Elizabeth the average demarcated bay is  $\pm 2$  m<sup>2</sup> in the central city area. This space was based on the size that the existing traders in the area used (Broodryk, interview 2001). In other areas of the city, the size of trading bays has been found to differ. Annexure F is a representation of the demarcated bays situated all along Govan Mbeki Avenue. All these bays are 2 m<sup>2</sup> in size and are numbered, so as to make the process of allocation easier. Cape Town also uses this procedure and the map indicating the locations may be found in Annexure A. The establishment of the size of a trading bay also raises the question of the procedure for the allocation of the bays to the different street traders, including the times of trading.

In Cape Town the already established street traders received preference and in Port Elizabeth it was found that the procedure was based on a "first come - first served" basis (Williamson, interview 2001 and Broodryk, interview 2001). Another aspect to which Pieter Broodryk of the Nelson Mandela Metropolitan Municipality alluded, was that preference was given to South African traders before accommodating foreign applicants (interview 2001).

In the Durban Informal Economy Policy document an allocation procedure is outlined in Annexure 2 of the document (Durban's Informal Economy Policy, 2000: 35). The aim of this procedure is to support growth and to provide opportunities for new people entering the informal street trading market. All the different role players are involved, and aspects such as discrimination, racism, favouritism, etc. are addressed in the document. The creation of job opportunities is, however, seen as the main objective.

Trading times have been found to be similar in the three study areas. All the by-laws state that trading may only take place from 07:00 to 19:00, and no trading is permitted after dark. Port Elizabeth and Cape Town apply these by-laws, with allowances made for festivals and weekend trading (P/N 305 of 1998, s. 4.2(d) and P/N 522 of 1996, s. 3). Durban Town Council allows informal street traders on the beachfront to trade until 22:00, after which they have to pack up and leave (Wheeler, interview 2001).

The correct size and the policy regarding the allocation of sites are thus important in creating a stable trading environment. The provision of services also plays a major role in the successful functioning of informal street traders.

### 6.5.2 Services

Most informal street traders conduct their businesses without water and electricity, and the majority find that they do not need these services. However, for the fish or flower sellers in Cape Town the provision of water and even electricity could significantly improve the sustainable quality of the products they sell. As a result a system of "pay as you need" water and electricity has been installed for those street traders who need it (Williamson, interview 2001).

Port Elizabeth has no such system. Water and electricity are supplied only to formal market areas (Broodryk, interview 2001). Durban operates on the same basis as Port Elizabeth. If, however, a street trader is in desperate need of water or electricity, the Council will assist him or her in providing such services (Wheeler, interview 2001). Apart from the shortage of water and electricity, cover for the street traders and storage space are two further shortcomings. Not one of the study areas has provided



any cover for street traders, and it is only in formal market places where informal traders have roofs over their stalls to protect them from the elements. Storage also presents significant problems for most street traders, but it is only in Cape Town where a plan has been devised to assist the street traders in need. Parking garages that are empty at night have been converted into storage areas for the street traders (Williamson, interview 2001).

It is not only physical services provided for informal street traders that need to be scrutinised. In general street traders are unable to secure financial help and this has become a pressing problem. Financial institutions are not prepared to finance street trading operations or grant them any credit facilities, as their businesses are regarded as unconventional. Local government should investigate the establishment of financial programmes and support structures. These will improve the informal street trader's chances of expanding his/her business and thereby securing a viable future for him or herself.

Because of the uncertainty and the stigma surrounding informal street traders, and also because of the lack of financial and physical support, occupational safety measures in trading areas have never been regarded in a serious light. It is, however, becoming increasingly important to address this issue because of the escalation of crime and violence during the last few years.

### 6.5.3 Safety and security

As stated earlier in the chapter, it is mainly elements not related to informal street trading who pose a threat to street traders and shoppers in trading areas. Pickpockets and gangs have been known to target market or trading areas because shoppers or tourists are seen as easy victims for the experienced thug. Cape Town and Port Elizabeth rely on the Traffic and Police departments when crime and theft need to be addressed. Durban on the other hand, has taken an altogether different route.

The high incidence of crime and violence in the market areas has had an adverse effect on the street traders' business. This led the street traders in the Durban CBD

area to establish an organisation aimed at controlling crime and violence, called “Traders against Crime”. This organisation operates closely with the police in identifying criminals and vigilantes who create problems in the trading areas (Wheeler, interview 2001 and Skinner, 1999: 16). In the Durban Informal Economy Policy, it was proposed that a consultation process with street traders and business people be established to effectively control the violence and crime in their areas of business, and also establish a patrol of street traders who could support the police (2000: 25). Informal street traders are thus seen to be protecting their livelihoods and creating a safer environment for themselves and the shoppers who frequent the area. The establishment of a non-violent self-regulation programme should be considered in cities like Port Elizabeth and Cape Town too, where no action has thusfar been taken to address this ever growing problem. This is clearly one example where Port Elizabeth and Cape Town could take their cue from Durban.

Informal street trading does not take place in a vacuum and it has a definite impact on city structure and planning. The elements of services, design and allocation of bays, and even the question of safety and security, all combine in impacting on city structure. Against this background town planning has started to play an increasingly important role in the lives of the informal street traders.

#### 6.5.4 Town planning

In order to be viable, street trading needs a constant market, and nowhere else but in South Africa’s large cities are there significant numbers of pedestrians. The complicating factor in this equation is that the cities are already developed and little space is hence available to accommodate the informal sector. New markets and trading opportunities should be properly planned, bearing in mind the economic needs of street traders, the need for innovative land use and the need for orderly town, spatial and transport planning.

All three the study areas have demarcated areas that are already frequented by the street traders, and all are in the process of identifying and searching for more such areas to accommodate the street traders. In an interview with Barbara Southworth of



the Urban Design Department of the Cape Metropolitan Council, she stated that alternatives – such as pedestrian walkways – are a definite feature that will be found in Cape Town in the near future (Southworth, interview 2001).

In Durban the current situation is as follows:

- In certain parts of the central city there are very few sites available. New spatial opportunities are concentrated mainly in the former township areas;
- markets have historically been established without adequate reference to environmental impact, provision of infrastructure, town planning, or transport planning; and
- some of the new satellite markets are not frequented because of a lack of pre-planning and policy initiatives.

(Wheeler, interview 2000)

Some possible solutions to the above mentioned problems have been identified in the Durban Informal Economy Policy document. Firstly a moratorium should be placed on developing new plans for built markets until existing markets are properly managed and are supplied with adequate human and operational resources. Secondly, the placing of properly designed and planned markets – one in the central city area and two in the former township areas – should be promoted. Lastly, much more planning, including the planning of pavement use, should be done bearing in mind the framework principles as outlined in the allocation policy of the Durban Informal Economy Policy (Please refer to the map provided in Annexure G), (Durban's Informal Economy Policy, 2000: 8).

Durban Town Council is aware of the current difficulties and is aiming to resolve these on the basis of the possible solutions discussed above. Port Elizabeth, on the other hand, has not done much to accommodate the informal street traders in the city. A specific focus was placed on Govan Mbeki Avenue, but the rest of the city was omitted in the planning process. No development or proposals have been submitted since the Govan Mbeki Avenue development, and street traders are left to initiate matters and develop themselves, sometimes to the detriment of Town Council.

As South Africa is drawing an increasing number of tourists each year, it is necessary that our towns and cities present a unified front in terms of development and future growth. If a city's streets and markets are left to street traders and criminals who do not adhere to legislation, a definite regression towards slum areas will take place and the tourism market will fail to provide the promised jobs. In the process cities may well become more dangerous and more dilapidated as services and the infrastructure deteriorate. The role of town planners in this respect is to grasp the nettle and to work with the existing groups in developing sustainable city structures to accommodate all and enhance those opportunities that already exist.

One of these opportunities refers to the tourism market. Street trading could become part of a programme to develop this market even further. The following section will review the role that street trading could possibly play in the promotion of tourism in Port Elizabeth and Durban.

## 6.6 Tourism

The question of tourism in Cape Town was discussed at the end of chapter 5 and need not be repeated. Tourism is seen as a growing trade in South Africa because of the country's scenic beauty, and also its large variety and cultural mix, which in turn makes for interesting and vibrant cities. Port Elizabeth and Durban are no exceptions and are well-known holiday destinations as thousands of tourists – local and international – flock to these cities each year.

In a report prepared by the Urban Strategy Economic Unit for the Joint Steering Committee in Durban, it was stated that: "The presence of informal traders also has considerable potential to increase the tourist attractiveness of the Durban CBD through the development of thriving and colourful markets and the production and sale of traditional goods such as crafts and muti" (1996: 14). The traditional aspect of informal street trading has had a big impact on the attraction of tourists to the Durban CBD and beachfront. Alan Wheeler of ITSBO stated that certain programmes were presented at the ITSBO offices for the development and training of the local people to enhance their traditional skills and thus to promote this aspect to attract tourists to



Durban (interview 2001). The establishment of a section on traditional medicines and arts and crafts are also included in the programmes and festival days organised by the tourism department. Durban has realised the potential that lies among the street traders, and is doing everything in its power to develop their role and importance for tourism.

In Port Elizabeth not much has been done to include the informal street traders in the city's tourism campaign. No educational programmes have been launched to assist the street traders, nor has there been any attempt at creating a positive market arena with the focus on attracting more tourists, and thus creating more job opportunities. It is thus of paramount importance that the street traders and their organisations are made aware of, and are included in tourism programmes. This will certainly improve the chance to create job opportunities in the informal street trading sector.

## 6.7 Township traders

Philippi was quoted as an example of township trading in the Cape Metropolitan Area. Although trading does take place on a large scale within these areas, Town Council cannot exercise much control over the activities in such an area. Port Elizabeth and Durban have large township areas surrounding the city, and informal street trading is one of the characteristics of life in those communities. Because it is impossible for the town councils to exercise any meaningful physical control in the townships, gangs and shacklords step into the breach by exerting a hold over the informal traders and informal small businesses in those areas (Wheeler, interview 2001 and Broodryk, interview 2001). This study, however, does not focus on the township traders but addresses the needs and legislation relating to informal street trading in the central city areas. The above reference to township trading is thus sufficient for the purpose of this study.

Port Elizabeth and Durban are major metropolitan cities, and each has a large informal street trading population. The aim of this chapter was to assess the legislation and policies that govern the informal trade in each of these cities, and to investigate other aspects linked to informal street trading, such as town planning,

tourism and services. Some of the examples quoted were based on the interviews held with some of the role players in each of the cities. This investigation also highlighted certain problem areas. In chapter 7 recommendations and conclusions will be made towards the accommodation of informal street trading and the creation of a sustainable environment and proactive legislation, with a view to enhancing the role of informal street trading in South African cities.



## Chapter 7

# Conclusion and Recommendations for Informal Street Trading in South African Cities

### 7.1 Introduction

The purpose of this study was to investigate various facets of street trading in South Africa and the implications for town planning. The different aspects of street trading, and the role of street trading in three of the major metropolitan cities in South Africa, were investigated in this study. The importance of by-laws and policy documents in Port Elizabeth, Durban and Cape Town, and the manner in which they endeavour to accommodate the informal street trader, was addressed. The impact of street trading on the existing city structure and planning was also evaluated.

The study has identified certain elements which really needs to be assessed in terms of the street trading sector. Certain recommendations will be suggested, based on the findings in the previous chapters with the aim of enhancing and developing a more sustainable and acceptable policy environment in which street traders could operate and cities could thrive.

### 7.2 Findings of the study

The findings of the study will be divided into five categories: organisation, legislation, physical trading environment, town planning and tourism. These are the aspects that were apparent in each of the study areas as being either positive or problematic, and these will lead to the development of the recommendations that follow later in the chapter. Only the findings will initially mentioned here, because the relevant discussion will follow in more detail when the recommendations are discussed.

#### a) Organisation

Durban and Cape Town were found to be the most organised cities, each having established an informal trading department with area co-ordinators to ensure that the

street traders' needs are addressed. Cape Town has also published a document, known as Tradewise, to enable all street traders to understand the by-laws in their respective home languages. Durban was found to be proactive in the generous amounts of money devoted to the development and enhancement of the informal street trade in their area. Port Elizabeth, however, lacked the relevant structures to accommodate the informal street traders and, together with the lack of control over the street traders, these are essentially the main problems to be addressed in this area.

Other organisational aspects which were found to present problems in each of the study areas, were the time spent and costs involved in obtaining a trading license, and the lack of an appeals procedure for the street traders. It was also found that there was not a very extensive public participation process, with the result that some organisations felt that they were excluded from the development process. The lack of properly developed information systems, and an absence of any financial support for informal street traders are further viewed as organisational problems that hamper the street traders in their business. It was, however, found that the monthly instalments paid by traders in all three the study areas were not exorbitant, and that most traders were satisfied with the particular arrangements in their area.

#### b) Legislation

It was found that all three the study areas had by-laws that controlled street trading in their particular area. The by-laws were all viewed as extensions of the Business Act No. 71 of 1991. Only Durban has developed an informal trading policy for its area, whilst Cape Town and Port Elizabeth rely solely on their by-laws.

#### c) Physical trading environment

Here a whole range of problems were encountered. The lack of adequate provision of services – such as water, electricity, storage, shelter and toilet facilities – presented some of the most significant problems for the traders. It was found that only Cape Town provided water and electricity points for the street traders, whilst certain arrangements were made for the storage of traders' goods overnight. Another aspect which was viewed as problematical, was the establishment of market areas without proper consideration of the street traders' needs, with the result that many traders



refused to relocate to the new market areas. This is linked to the aspect of safety and security for traders and shoppers alike. No measures have been taken in Cape Town or Port Elizabeth for creating safer environments. Durban has, however, established an organisation called "Traders against Crime" that collaborates with the police to ensure that trading areas are safe.

#### d) Tourism

Tourism is viewed as one of the positive areas which could promote the informal street trading business. In Port Elizabeth it was found that no specific measures were taken to enhance this aspect and thus to create more jobs in the informal sector. Durban has, however, launched a training programme which is established at the ITSBO offices, aimed at addressing this need for the promotion of informal street trading within the ambit of tourism. Traditional arts and craft stalls are thus to be found at most festivals and markets. Cape Town, although lagging behind Durban, also promotes the informal street trade through the established markets at Green Market Square and Mitchell's Plain, and others that are located throughout the city, catering mostly for the European market.

#### e) Town planning

Town planning plays an essential role in the creation of all city spheres. The problem that town planning faces in terms of the informal street trade is that South African cities are already well-established which really complicates the accommodation of the street trade in especially CBDs. This was found to be the case in all three the study areas. Although some attempts have been made, there is a definite need for further investigation of the street trade within a city sphere.

The following sections will discuss the recommendations made, based on the above mentioned findings of the study.

## 7.3 Recommendations

### 7.3.1 Administrative policy

#### 7.3.1.1 A national set of guidelines

It is recommended that a national set of guidelines be developed and implemented in all cities and towns. This is necessary to ensure that commitments made towards street traders are kept and that development should take place as planned. The Business Act (Act No. 71 of 1991) stipulates that each local authority has to adopt a by-law to deal with informal street trading, which ushered in a new era in small business development. Because there are no guidelines at national level, it is not clear what provisions should be included, excluded or aimed at, in dealing with informal street traders. This deficiency has been clearly identified as a problem area. Not surprisingly this has led to various problems within local government structures. A lack of clear and unambiguous communication and interpretation are evident within internal departments; each putting a different interpretation on what should be done. National government should thus publish a policy document to underscore and support those policy documents already drawn up by local governments, such as the one of the Durban Municipal Council.

#### 7.3.1.2 Development process

In modern day society people have a need to be informed as to what is happening around them, and if a particular aspect relates to the environment where they live and work, then this need is even more apparent. The process of drawing up a policy document and a set of by-laws to govern informal street trading should be governed by a public participation process.

Previous processes of public participation have shown that issues and discrepancies come to light at quite an early stage in the development process. It is then easier to address these problems rather than later in the process. Another important factor that



should be borne in mind is that when people become participants in a process, they are normally more willing to accept changes, and seem to have much more positive attitude towards such developments than would have been the case if they had not been included.

In all three study areas it was found that public participation played a central role in establishing by-laws or policies. But except for Durban, neither Cape Town nor Port Elizabeth mentioned any structure or procedure by means of which such a process would evolve, or who the people are to be included in the process. It is recommended that this aspect be addressed in the future development of policy documents for Cape Town and Port Elizabeth. This will ensure that those who are affected by the policies are in a position play a full part in developing a policy that would fulfil the needs of all the different role players. Such a policy document will also help to establish the correct procedure for project management, which is necessary in evaluating the success rate of the particular proposals that have been implemented.

A further important element is the establishment of equality between informal street traders. This process would play an important role when addressing the needs of the street traders, when a sustainable environment is brought about in which the street traders could work. When local government realised that street traders were not a homogenous mass, the problem arose of drawing up legislation that would be to the satisfaction and benefit of all participants. It has already been stated that the establishment of a set of guidelines on the national level would improve the control and management that each local government should exercise. This will also lead to the establishment of a more equality based policy for all street traders and a flexible environment in which they could ply their trade. Development on a national level is thus of the utmost importance.

#### 7.3.1.3 Local government

Street trading is addressed at local government level and it is, therefore, necessary to establish a department that deals solely with the informal street traders. Cape Town has done so, and the department shows positive results towards the control and

enhancement of informal street traders and the areas in which they work. Durban has also established a department for informal trading, but informal street traders still need to approach other departments when applying for a permit to trade. Port Elizabeth has no department dealing with informal street trading, and the Traffic, Police and Planning departments are all responsible for the street traders (Williamson, interview 2001, Mentz, interview 2001, Wheeler, interview 2001). This creates confusion and leads to street traders having to spend a great deal of time and money to acquire a trading permit.

With the establishment of one department to handle street trading concerns, better control and administrative measures could be instituted, and issues and problems addressed more speedily. This will completely eradicate the problem of overlapping responsibilities between departments. It is further recommended that an appeals committee be established.

The Business Act (Act No. 71 of 1991) states that a committee should be established to deal with the problems and discrepancies faced by the informal street traders. Informal street traders should be able to lodge a complaint with an appeals committee and receive a proper hearing. This process will not be as costly as a court hearing, and will assist with the control of the street traders, and bringing to book any officials who may have infringed the rights of the street traders. Because local government exercises most of the control and promotion of the informal street trading sector, it is thus important to address the administrative aspects of the informal trade properly. This is after all the base on which street traders should be able to rely in future, and it is necessary that thorough procedures be developed to assist the street traders. In addition a department should be established with the specific goal to achieve a high success rate in the promotion and proactive control of informal street trading. The following section will investigate the important role that informal street trading plays in the economy of a country. Recommendations to promote this role will be suggested.



### 7.3.2 The economy of informal street trading

Many people view informal street traders as unhygienic and criminals and are reluctant to take notice of the deeper lying aspects of the informal trade. Street traders are concerned at this attitude, who are after all only on the street to ensure a sustainable livelihood for themselves and their families. There is a need that the public should react more positively to the need of street traders and remove the stigma that surrounds the street traders, which should be replaced with a realisation of the importance of the creation of jobs and sustainable livelihoods. The above mentioned policy will thus need to make positive and explicit reference to the important role of informal trading in the country's economy, and that the promotion of the informal trade will lead to the welfare of all its citizens (Williamson, interview 2001).

To achieve the above, it is further recommended that research programmes be established to address such issues as business training and education. This will not only improve the lives of the informal street traders, but will promote their business abilities. This could lead to more street traders entering the formal market or increasing their turnovers. These programmes could possibly be developed and established by the different departments of local government that deal with the informal street traders.

Another element that relates with the economics of informal street trading is the inability of street traders to obtain financial aid from traditional institutions, such as banks and building societies. These organisations believe these businesses to be financial risks, as they are deemed too unconventional and unpredictable. Therefore, these institutions are not willing to support them financially. Financial support is essential especially to those street traders who are only starting to establish a business, and aspects such as the establishment of informal financial institutions which could be supervised by local government to assist the street traders, should be investigated. This also links with the removal of the stigma surrounding street traders, for once this has been properly taken care of, it is more than likely that the financial institutions will take an altogether different view of informal street trading.

Street trading is an economically viable business, and many persons are dependent for their livelihoods on this sector. It addresses issues such as job creation and the alleviation of poverty, and is seen to play an important role in a country's economic development. It is essential to include these aspects in policy so as to ensure that the importance of the informal trade is well established.

### 7.3.3 Physical street trading environment

Streets are the business areas of informal street traders. This creates problems for other formal retailers, and poses a threat to the existing environment. With the correct control and the creation of areas in which to trade, and supplied with the proper services, these problems could be addressed in an amicable way. Not only does this give the street trader a better area to trade in, but also it controls any previously uncontrolled area, and alleviates some of the formal retailer's concerns. This section will look at recommendations made towards the aspects of infrastructure, the creation of markets and service provision for informal street traders.

#### 7.3.3.1 The creation of market areas

It is imperative to develop an understanding of the importance to establish markets where traders could function, and to be aware of these markets' positive aspects and contributions to the relevant communities. Paul Williamson (interview 2001) of the BAM branch in Cape Town stated the following:

- Markets serve a large number of small retailers;
- they develop a good location for informal traders;
- more informal traders are concentrated in one area, thus creating a magnet to attract more buyers;
- informal traders could obtain assistance from their fellow traders when in need;
- local authorities' assistance could be developed to a greater extent;
- the market is seen as a social and recreational facility for the community; and



- it is easier to control one consolidated market area than having to control different areas simultaneously when street traders operate in widespread localities.

In establishing a market area there are different factors to bear in mind, such as the location of the market; combining the market area with other land uses; and design and administration, to name a few. The type of market is also relevant in terms of the particular design and location. For instance, if one is dealing with a fresh produce market, then shelter, sufficient water and even cold rooms could possibly be supplied. Markets normally occupy a great deal of space, and it is difficult to accommodate such a land use within a central business area, because of property prices being high and the availability of land being extremely limited. Another possibility is to establish a market in a previous industrial area or building located close to the CBD, where services like water and electricity are readily available. Not only would costs thus be curtailed, but street traders would not need to travel long distances to reach their place of business, since these areas are mostly on the fringes of the inner city.

The administration of such a market also becomes an easier task for local authorities, because the already established department in control of informal street trading is geared to take up this task. Licensing and the allocation of stands within the market is a further matter to be addressed, and it may be advisable to employ similar procedures already used regarding the street trading situation within the market structure too. This would obviate the need for local authorities to develop new administration procedures, and would also ensure that informal street traders are not confused by different procedures.

A market could be viewed as a phenomenon which plays an existential role in the lives of not only informal street traders, but also of the surrounding communities. Correct administrative control and provision of services would enhance the environment in which trading takes place and safety too would be promoted. The location of markets is essential to the success of the market, and more specific attention needs to be given to establishing their location.

### 7.3.3.2 Storage facilities

It is difficult for street traders to store all their stock at the trading bay from where they do conduct their business and would thus be a clear advantage for them to dispose of some adequate storage space.

Most local authorities are of the opinion that street traders need to deal with this matter. Because the question of available storage facilities is of such crucial importance for street traders, local authorities would do well by seriously considering to establish such facilities. In this regard Cape Town could serve as an example. Empty parking garages at night are used as storage facilities. This relieves the street traders of the burden of having to log around all their stock with them after hours, and the provision of storage space is advantageous, because it is close to their areas of business. Another possibility is that shop owners could also provide some temporary storage facilities to street traders. In exchange for these storage facilities, such shop owners would then act as wholesalers for the street traders (Terblanche, 2000: 39). All of the above could be achieved with minimal assistance and support from the local authority, which would all contribute to creating a stronger position for the street trader.

### 7.3.3.3 Shelter

Shelter is another aspect that most local authorities regard as the street trader's own responsibility. If a street trader sells fresh produce, such as fish, meat or vegetables, it is clear that the climate and weather would have a direct impact on the quality of the products. No shelter to street traders is currently being provided in any of the three study areas, and it is paramount that this aspect be addressed, especially in areas where heavy rains, strong winds or persistent heat are prevalent. Possible recommendations in this respect include provision of easily transportable structures with a canvas cover which local authorities could offer at a minimal monthly rent or, alternatively, the relocation of street traders to new market areas where the infrastructure is of a higher standard.



### 7.3.3.4 Services

#### a) Water

An ample supply of water is a prerequisite for various types of informal street traders. It is, however, not always possible for a street trader to find a good location with a ready water supply. In Cape Town street traders are provided with a pay as you need system that operates with a meter (Williamson, interview 2001). Durban and Port Elizabeth do not provide water for street traders and such services are only found in established market areas (Wheeler, interview 2001, Mentz, interview 2001). It stands to reason that the availability of water is a prerequisite to comply with the health regulations of local authorities. It is hence suggested that other cities should consider the adoption of a similar supply system provided by Cape Town, adapted to the need of other metropolitan cities.

#### b) Electricity

Electricity is equally a *sine qua non* for some street traders. Most do not require electricity outlets, but where food or hot drinks are sold, the availability of electricity would considerably ease the working conditions of informal street traders. In this respect Cape Town is a step ahead of Port Elizabeth and Durban, as it provides electricity by means of a metered system (Williamson, interview 2001). Paul Williamson (interview 2001) stated that if a street trader was in dire need of electricity, a plan could be devised. One could for instance request the person or company in charge of the closest outlet to such a trader's stand to supply a lead, and then to charge the street trader for its use.

#### c) Public toilet facilities and refuse removal

There is no direct provision of toilet facilities to street traders, and they need to use the closest public toilets. In the past this has led to problems, because facilities were left in an unhygienic state and used as dumping grounds for refuse. Separate facilities

should be provided which would be more convenient for street traders and shoppers alike, and improve the standards of hygienic conditions. It is also essential that a refuse removal service be provided in order to maintain acceptable levels of hygiene and cleanliness. Street traders could be required to keep the areas clean in which they work, and local authorities could set up a task force to continually check up on the street traders. Cape Town has involved the municipal cleaners by paying a certain part of the street traders monthly instalment towards the cleaning of the trading areas (Williamson, interview 2001). In Durban a twice monthly clean up is organised by the police and the various street trading organisations, in order to keep the trading areas clean (Wheeler, interview 2001).

The establishment of properly controlled trading areas and the provision of services creates a positive trading environment, and these control to a certain degree the impact of the street traders on the physical environment. Town planners also have an important role to play when additional locations for street traders are sought. The following section will contain recommendations on the role of town planners vis a vis informal street trading.

#### 7.3.4 Role of town planning in informal street trading

South Africa's history of urban development did not include the provision of space for street traders. Because past planning in the metropolitan area had taken place within the apartheid system, this made any coherent planning impossible across the different racially structured local government systems (Durban Economic Development, 1996: 17). This type of unco-ordinated planning was found in all South African cities which preserved the urban structure exclusively for formal retailers.

It is a challenge to rearrange central city areas to accommodate street traders. There are some interesting examples where this has been done during the last few years, including certain streets being converted to pedestrian walkways, the widening of pavements and the establishment of strategically placed market areas (Skinner, 1999: 44). The creation of markets also assists town planning, in that it stops decay and concomitant unsafe areas. Furthermore control may be exercised on the location of street



- policy should not be in conflict with or separated from other planning policies; and
- evaluation of policy should be feasible.

Using these requirements as a benchmark, one could now consider the aspects that need to be addressed in the process of taking care of the needs of the informal street traders. Durban has already established a well considered and proactive policy, but the challenge lies in how successfully the relevant objectives were implemented. Cape Town and Port Elizabeth do not have any specific policies in this respect, and this shortcoming needs to be rectified.

## 7.5 Conclusion

The aim of this study was to identify those elements that needed to be developed in an effort to address the needs of street traders in South Africa. The study firstly scrutinised findings that were reached in the study areas of Cape Town, Port Elizabeth and Durban and then continued to make recommendations as to how to address those findings and the needs of informal street traders. It was indicated that street trading is an important feature of South African cities. It is, therefore, of the utmost importance that the promotion and development of the informal street trade sector should take place within the correct framework of town planning and legislation. Once these recommendations are converted into policy, it becomes possible to establish a sustainable informal street trading environment which is well developed in terms of town planning criteria. This trading also serves to improve the quality of life of many people, and it also addresses the issues of poverty and inequality in South African cities.

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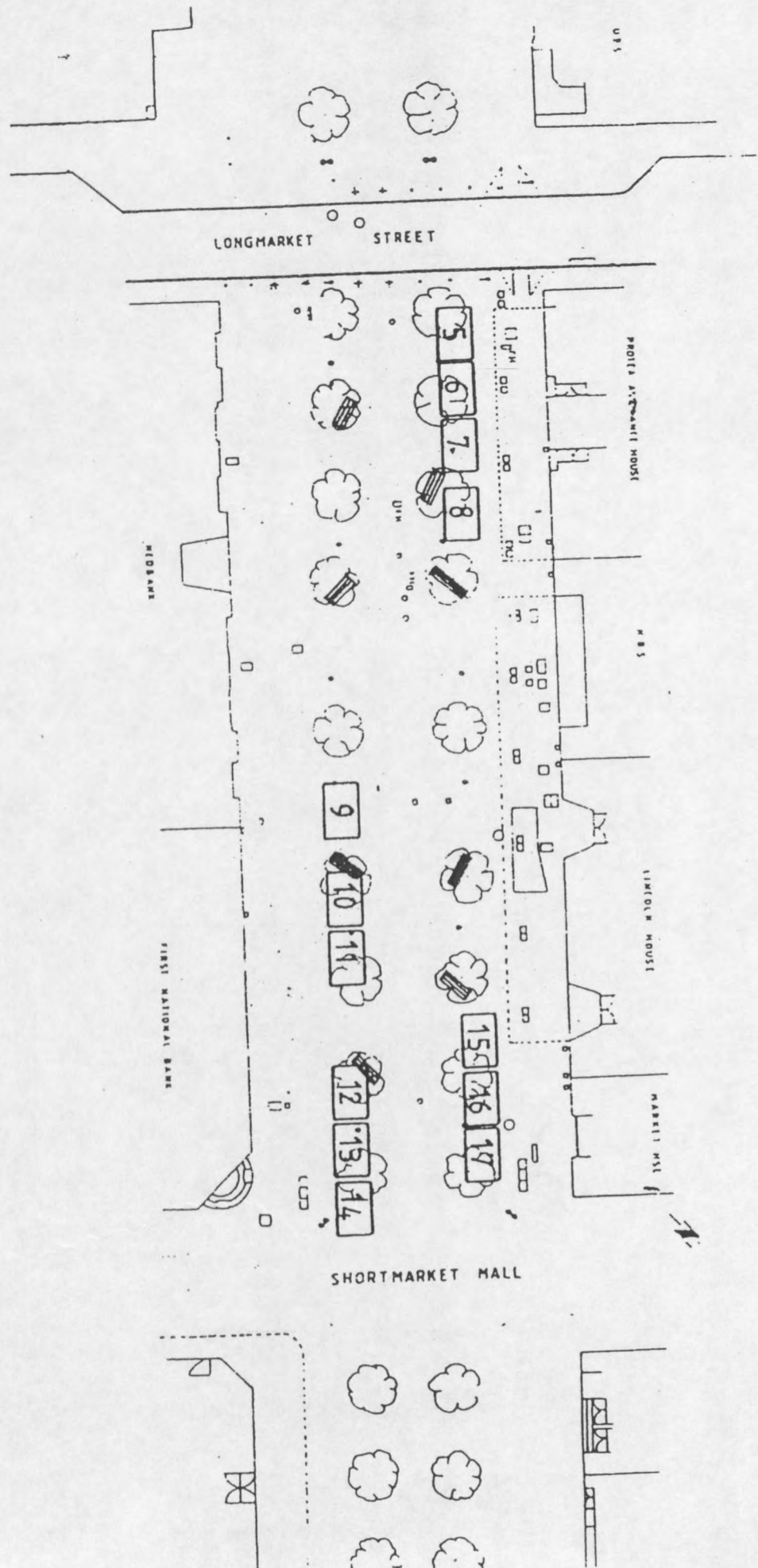
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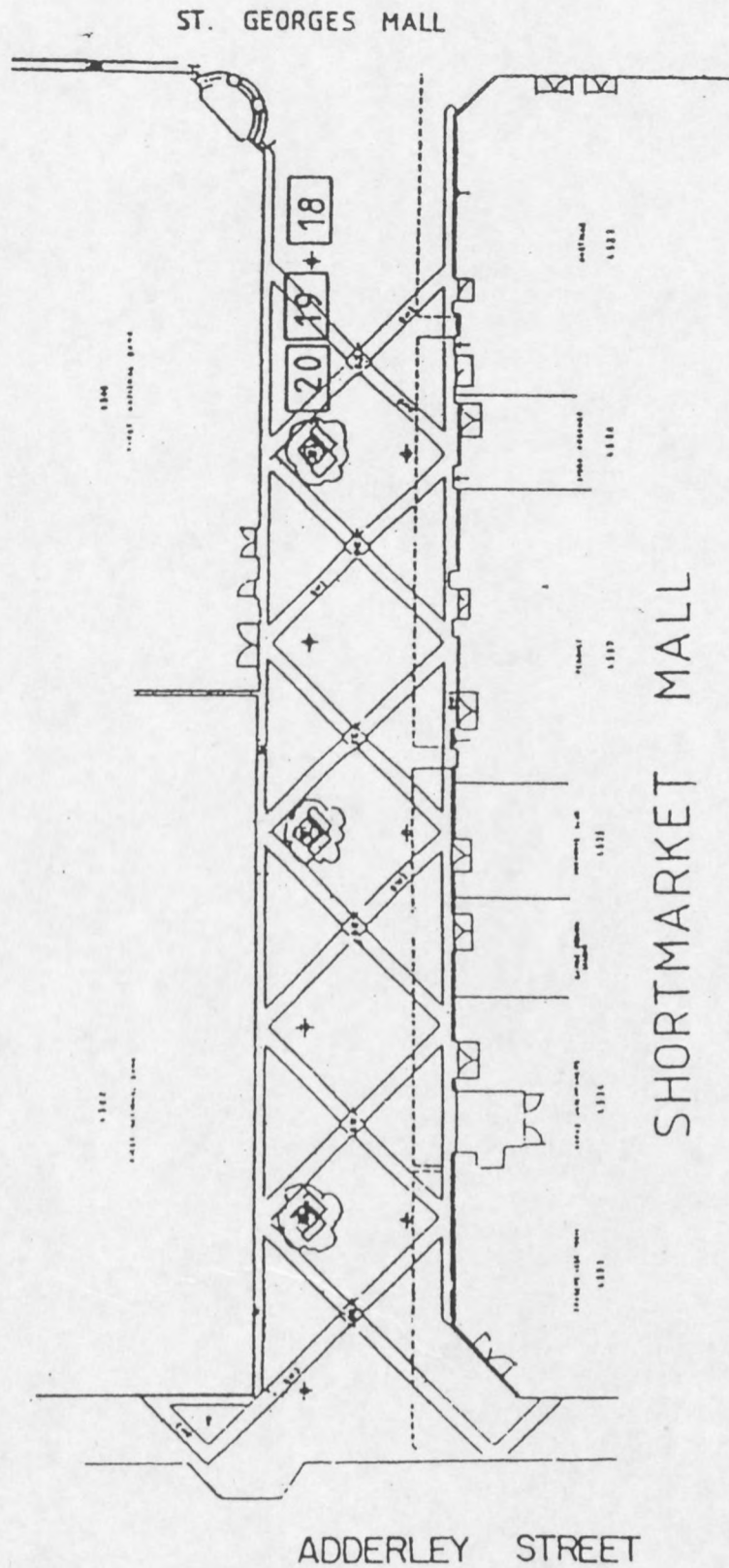
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ANNEXURE A:

**Maps of trading bays in Cape Town.**









## ANNEXURE B:

**Annexure to permit to occupy an informal trading site**



CITY OF CAPE TOWN  
ISIXEKO SASEKAPA  
STAD KAAPSTAD

## **Annexure to Permit to Occupy an Informal Trading Site**

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*30 June 2000*

The Permit is issued subject to the provisions of the By-Law for the Supervision and Control of the carrying on of the Business of Street Vendor; Pedlar or Hawker in terms of Section 6A of the Businesses Act 1991 (Act 71 of 1991) and the following Standard Trading Conditions.

- 1) The holder of the Permit shall personally operate and be present at the site during trading hours. A person may assist the Permit Holder at the site in his / her absence, and the requisite identification of the respective assistant must be advised to the City of Cape Town and be reflected in a letter of authority in possession of the assistant.
- 2) The permit is only issued to the permit holder upon proof of identity and is not transferable.
- 3) The Permit / Original certified copy shall be available at the site at all times, and shall be produced upon demand to any law enforcement Officer of the Municipality of Cape Town.
- 4) The Municipality of Cape Town shall have the right to order the holder of the permit to temporarily cease trading from the hawking site in the event of it having to accommodate street parades, events of a similar nature or any roadworks, without any compensation.
- 5) The Trading site shall not be used as a distributing point for goods (stocks of whatever commodity) for the purpose of resale.
- 6) The Municipality of Cape Town reserves the right to summarily cancel a permit without payment of compensation in the event of the permit holder having provided false information in support of his / her application.
- 7) The permit shall automatically cease on the expiry date and the permit holder shall be required to vacate the hawking site on this date unless he/she is in possession of a valid permit authorising continued occupation of the site.
- 8) The hawking site will be re-allocated to interested parties on the waiting list, if the permit is not renewed by the due date.
- 9) Only the products which have been stipulated on the application form may be permitted on the hawking site unless otherwise authorised by the Municipality of Cape Town.



10) Monthly payment of permit fees shall be made at the City of Cape Town Cash Offices, as indicated accordingly for the different informal trading areas.

11) Not more than 2 (two) persons shall manage the trading site at any one time, except with the prior permission of the Municipality of Cape Town.

12) Save as otherwise authorised in writing by the Municipality of Cape Town, no structures, other than a device which operates in the same manner as, and is shaped like an umbrella, for the purpose of providing shelter, shall be used.

13) Only goods of a legal nature whatsoever shall be permitted for sale by permit holder.

14) **Do not trade in following areas:**

- (a) In municipal garden or park without permission
- (b) Outside a government or council building
- (c) Outside a church or place of worship
- (d) Outside a national monument
- (e) In an area declared prohibited by the municipality
- (f) Contrary to restriction imposed by the municipality in respect of any particular area
- (g) At a place where it obstructs:

- (i) a fire hydrant
- (ii) an entrance or exit from any building
- (iii) a sidewalk
- (iv) vehicles

- (h) In front of a residential premises if the people concerned objects
- (i) In a manner that obstructs display windows of shops
- (j) In a manner that obstructs the use of parking or loading bays

15) **DO NOT**

- (a) Stay overnight at your place of business
- (b) Create a nuisance
- (c) Damage public property
- (d) ~~Create a traffic hazard~~
- (e) Make a fire where it could harm people or damage property
- (f) Allow your trading area to fill up with refuse
- (g) Erect any structure without written approval of the City of Cape Town
- (h) Attach any object by any means to any:

- (i) Building
- (ii) Structure
- (iii) Pavement
- (iv) Tree / Tree Protection Guard
- (v) Parking meter
- (vi) Lamp-pole
- (vii) Electricity pole
- (viii) Telephone Booth
- (ix) Post Box

- (x) Traffic Sign
- (xi) Bench
- (xii) Any other street furniture in or on a public road or public place

- (i) Keep your goods in an unclean and / or insanitary condition
- (j) Carry on your business in such a manner as to be a danger or threat to public health or public safety

16) **Do not obstruct**

- (a) Street furniture
- (b) Bus passenger benches, shelters or queuing lines
- (c) Refuse disposal bins or other facilities intended for the use of the general public
- (d) Pedestrian crossings
- (e) Any road traffic sign or any marking notice or sign displayed
- (f) Access to any pedestrian arcade or mall
- (g) Access to any local authority service

17) Remove daily at the conclusion of trading all waste, packaging material, stock and equipment of whatsoever nature which are utilised in connection with your business.

18) The domicilium citandi et executande of the Permit Holder shall for this purpose be the address appearing on the application form: and that of the Municipality of Cape Town shall be the City Manager, P O Box 4511, Cape Town, 8000.

19) The Municipality of Cape Town reserves the right to amend the foregoing conditions of Permit whenever it becomes necessary.

20) Permit Holder (Signature) .....

Print Name in Full .....

Date .....



ANNEXURE C:

**Fines and fees : Cape Town**

# HAWKERS

PROVINCIAL NOTICE 522 OF 1996

CODE	SECTION	OFFENCE	FINE
96629	2 (a)	No person shall carry on the business of street vendor, pedlar or hawker - <i>in a garden or park under the control of the Council and to which the public has a right of access unless such area has been set apart and demarcated by the Council for that purpose in terms of Section 6A(3)(b) of the Act.</i>	R200
96637	2(b)	No person shall carry on the business of street vendor, pedlar or hawker - <u>on a verge contiguous to -</u> (i) <i>a building belonging to, or occupied solely by, the State or the Council</i> (ii) <i>a church or other place of worship, or</i> (iii) <i>a building declared to be national monument under the National Monuments Act 1969 (Act 28 of 1969)</i>	R100
96645	2(c)	No person shall carry on the business of street vendor, pedlar or hawker - <i>in an area declared by the Council in terms of Section 6A(2)(a) of the Act as a place where the carrying on of the business of street vendor, pedlar or hawker is prohibited.</i>	R200
96653	2(d)	No person shall carry on the business of street vendor, pedlar or hawker - <i>contrary to any restriction imposed by the Council in terms of Section 6A(2)(9a) of the Act.</i>	R200
96661	2(e)	No person shall carry on the business of street vendor, pedlar or hawker - <u>at a place where -</u> (i) <i>it causes an obstruction in front of a fire hydrant</i> (ii) <i>it causes an obstruction in front of an entrance to exit from a building</i> (iii) <i>it substantially obstructs pedestrians in their use of a sidewalk.</i> (iv) <i>it causes an obstruction to vehicular traffic</i>	R200
96679	2(f)	No person shall carry on the business of street vendor, pedlar or hawker - <i>on that half of a public road contiguous to a building used for residential purposes if the owner or person in control of any occupier of the building objects thereto.</i>	R200



96687	2(g)	<p>No person shall carry on the business of street vendor, pedlar or hawker -  <u>at a place where -</u></p> <ul style="list-style-type: none"> <li>(i) <i>it obstructs access to street furniture, bus passengers, benches or shelters, queuing lines, refuse disposal bins or other facilities intended for the use of the general public.</i></li> <li>(ii) <i>it obstructs the visibility of a display window in business premises, if the person carrying on business in the business premises concerned objects thereto.</i></li> <li>(iii) <i>it obstructs access to a pedestrian crossing.</i></li> <li>(iv) <i>it obstructs access to any vehicle</i></li> <li>(v) <i>it obstructs any road traffic sign or any marking, notice or sign displayed in terms of this by-law</i></li> <li>(vi) <i>it limits access to parking or loading bays or other facilities for vehicular traffic, or</i></li> <li>(vii) <i>it obstructs access to a pedestrian arcade or mall</i></li> </ul>	R150
96695	2(h)	<p>No person shall carry on the business of street vendor, pedlar or hawker -  <i>in contravention of the terms and conditions of a lease or allocation to him of a stand or area in terms of Section 6A(3)(c) or the Act.</i></p>	R200
96700	3(a)	<p>No person carrying on the business of street vendor, pedlar or hawker shall at any time -  <i>in any way obstruct access to any local authority service or local authority service works</i></p>	R150
96718	3(b)	<p>No person carrying on the business of street vendor, pedlar or hawker shall at any time -  <u>at any public road or public place -</u></p> <ul style="list-style-type: none"> <li>(i) <i>stay overnight at the place of such business, or</i></li> <li>(ii) <i>erect any structure (other than a device which operates in the same manner as, and is shaped like, an umbrella for the purpose of providing shelter,</i></li> </ul> <p>without the prior written approval of the Council.</p>	R300
96726	3(c)	<p>No person carrying on the business of street vendor, pedlar or hawker shall at any time -  <u>carry on such business in a manner which -</u></p> <ul style="list-style-type: none"> <li>(i) <i>creates a nuisance</i></li> <li>(ii) <i>damages or defaces the surface of any public road or public place or any other Council property, or</i></li> <li>(iii) <i>creates a traffic hazard</i></li> </ul>	R200
96734	3(d)	<p>No person carrying on the business of street vendor, pedlar or hawker shall at any time -  <i>attach any object by any means to any building, structure, pavement, Free parking meter, lamp-pole, electricity pole, telephone booth, post box, traffic sign, bench or any other street furniture in</i></p>	R100

96742	3(e)	No person carrying on the business of street vendor, pedlar or hawker shall at any time - <i>make a fire at a place or in circumstances where it could harm any person or damage a building or vehicle or any street furniture referred to a sub-section (d)</i>	R100
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96750	3(f)	No person carrying on the business of street vendor, pedlar or hawker shall at any time - <i>fail <del>to</del> refuse to move or remove any goods, after having been requested to do so by the supplier of a telecommunication server who requires access to such service, or by an authorised employee of the Council or an officer respectively acting in terms of Section 4 or 5 of this by-law.</i>	R300
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96768	4(a)	No person carrying on the business of street vendor, pedlar or hawker shall - <i>accumulate dump, store or deposit or cause or permit to be accumulated, dumped, stored or deposited any refuse, scrap or waste material on any land or premises, in any manhole, stormwater drain or on any public road or public place, other than in a refuse receptacle approved by the Council</i>	R100
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96776	4(b)	No person carrying on the business of street vendor, pedlar or hawker shall - <i>keep the area or stand occupied by him for the purpose of such business in an unclean and/or insanitary condition.</i>	R100
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96784	4(c)	No person carrying on the business of street vendor, pedlar or hawker shall - <i>keep his goods in an unclean and/or insanitary condition.</i>	R100
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96792	4(d)	No person carrying on the business of street vendor, pedlar or hawker shall - <i>fail to remove daily from any public road or public place at the conclusion of trading all waste, packaging material, stock and equipment of whatsoever nature which are utilised in connection with such business, provided that the Council may in writing grant exemptions in this respect.</i>	R100
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96807	4(e)	No person carrying on the business of street vendor, pedlar or hawker shall - <i>carry on his business in such a manner as to be a danger or threat to public health or public safety, and</i>	R100
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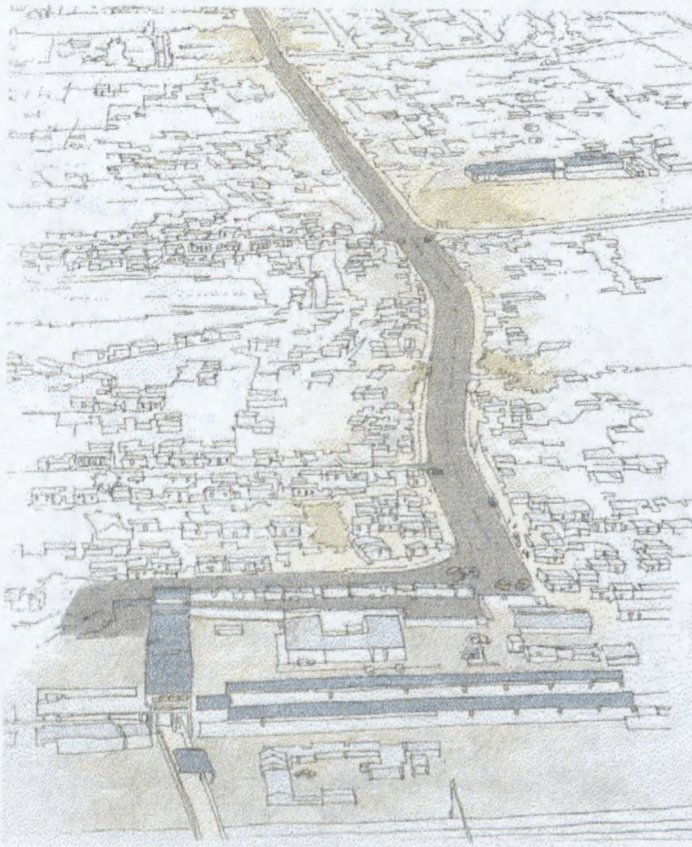


96815	4(f)	<p>No person carrying on the business of street vendor, pedlar or hawker shall -</p> <p><i>at the request of an officer or a duly authorised employee of the Council, fail to move or remove anything so that the area or site may be cleaned.</i></p>	R100
96857 Municipal Bylaw	Sect 5(1) /	<p>Displaying a Sign/s without prior Council Approval.</p> <p>P.N. No 295/1966</p>	R300
96865	Sect 6	<p>Carrying on the business of a Street Vendor, Pedlar or Hawker on any stand or in any area demarcated in Terms of Section 6A(3)(b) without written proof that such stand/area has been leased from the Council or otherwise allocated to him/her.</p>	R300
96823	7	<p>Any person -</p> <p><i>whilst carrying on the business of street vendor, pedlar or hawker, shall carry on his person a copy of any written authorization required in terms of this by-law and shall on request by an officer exhibit such authorization.</i></p>	R100
96831	9(b)	<p>Any person who -</p> <p><i>threatens, resists, interfere with or obstructs any officer or any employee of the Council in the performance of his duties or functions in terms or under this by-law, or</i></p> <p><i>shall be guilty of an offence and liable on conviction to a fine not exceeding five thousand rands or to imprisonment for a period not exceeding (3) months</i></p>	R500
96849	9(c)	<p>Any person who -</p> <p><i>deliberately furnishes false or misleading information to an officer or an employee of the Council.</i></p> <p><i>shall be guilty of an offence and liable on conviction to a fine not exceeding five thousand rands or to imprisonment for a period not exceeding three (3) months.</i></p>	R300

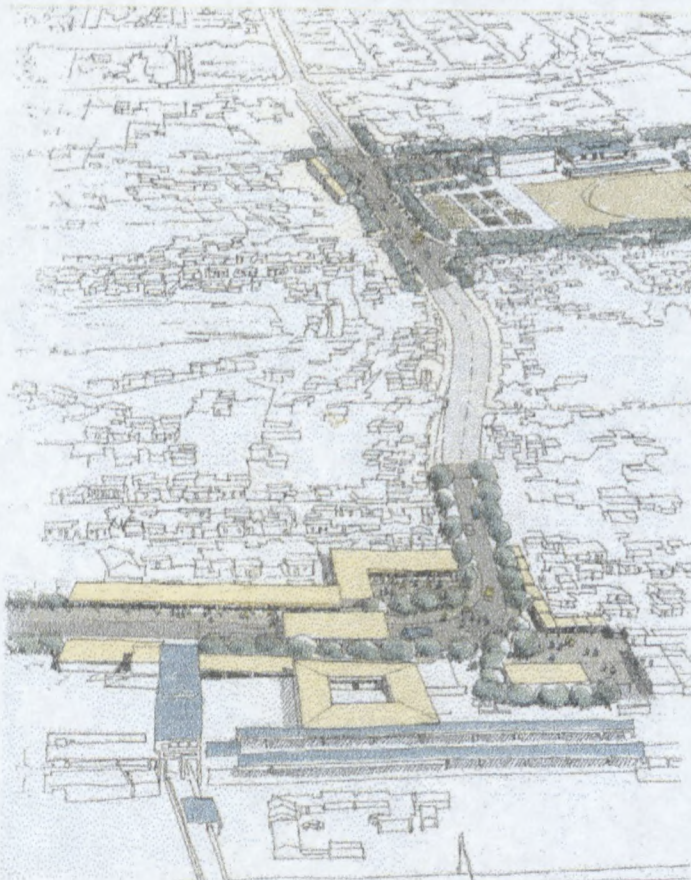
ANNEXURE D:

**Ingulube Drive : Example of township trading**



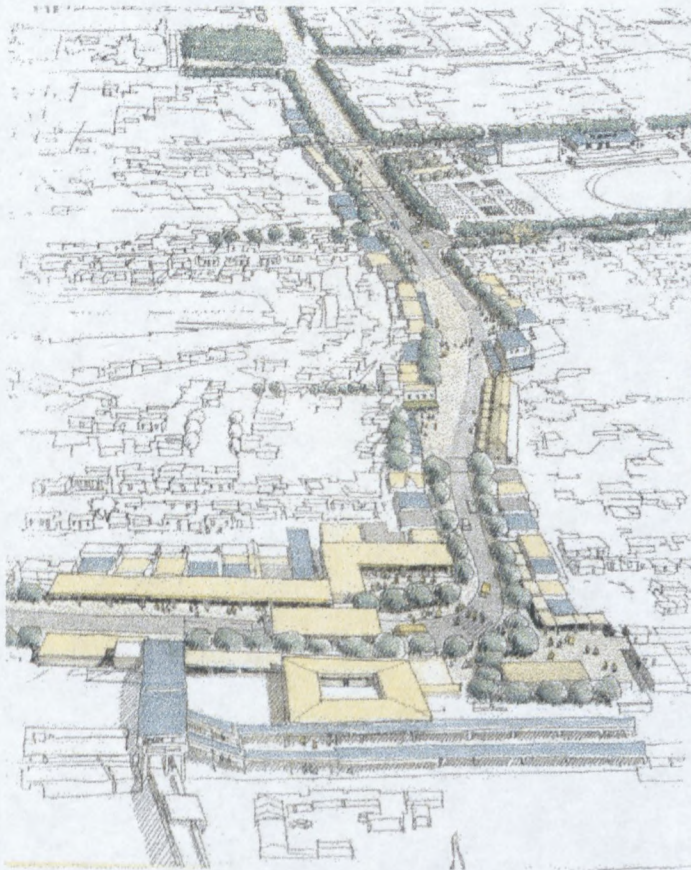


A view of the Emms Drive-Philippi Station public space project as it looks today. The station, public buildings and public transport facilities are not linked into a well-made public environment



The project are showing the public space improvement projects to be completed by June 2000. These include a public transport interchange and public market at Philippi Station, a public space and trading area, as well as new sports facilities at Browns Farm Community Hall and Library.





An image of how the area should look in a few years time when all phases of the public space improvements have been completed. These improvements should improve the character and quality of the area. This should increase investor confidence and create opportunities for small business.



ANNEXURE E:

**Fines and fees : Port Elizabeth**

CONTENTION	DESCRIPTION	FINE
Regulation 2(1) (a)	Trading in a garden or park without written permission	R100-00
Regulation 2(1) (b) (i)	Trading on a verge contiguous to a building belonging to or occupied solely by the State or the Council	R100-00
Regulation 2 (1) (b) (ii)	Trading on a verge contiguous to a church or place of worship	R100-00
Regulation 2 (1) (b) (iii)	Trading on a verge contiguous to a building declared a National Monument	R100-00
Regulation 2 (1) (c)	Trading in a prohibited area	R100-00
Regulation 2 (1) (d) (i)	Trading in a place where it causes an obstruction to a fire hydrant or entrance to or exit from a building	R100-00
Regulation 2(1) (d) (ii)	Trading at a place where it causes an obstruction to vehicular traffic	R100-00
Regulation 2 (1) (d) (iii)	Trading at a place where it causes a substantial obstruction to pedestrians using a sidewalk	R100-00
Regulation 2 (1) (e)	Trading on a verge contiguous to a building in which business of a similar nature is being conducted without written consent	R100-00
Regulation 2 (1) (f)	Trading on the half of a public road contiguous to a building used for residential purposes where owner or occupier objects	R100-00
Regulation 2 (1) (g)	Trading within ten metres (10m) of the entrance to a financial institution or electronic banking facility	R100-00
Regulation 2 (1) (h)	Trading within one comma eight metres (1,8m) of a shop window used to display goods without written consent of the lawful occupier	R100-00
Regulation 3 (3)	Failing to produce token proving right to occupy a particular stand	R50-00
Regulation 4(1) (a)	Stacking of goods on a stand in such a manner that it constitutes a danger of injuring any person or damage any other goods or property	R150-00
Regulation 4 (1) (b)	Attaching any goods by any means to any building, structure, pavement, tree, parking metre, lamp pole, electricity pole, telephone booth, post box, traffic sign or bench	R150-00
Regulation 4 (1) (c)	Making of a fire on or near any stand	R100-00
Regulation 4 (1) (d)	Storing of goods in a manhole or stormwater drain	R150-00
Regulation 4 (1) (e)	Disposing of litter in a manhole, stormwater drain or any other place not intended for the disposal thereof	R150-00
Regulation 4 (1) (f)	Making use of a structure which is probably dangerous to life or property which is in fact unsightly or objectionable	R150-00
Regulation 4 (2) (a)	Failing to keep a stand or goods used to carry on a business in a hygienic and neat condition	R150-00
Regulation 4 (2) (b)	Failing to take precautions for the spilling of litter, including fat, oil and grease, on to a public road	R150-00
Regulation 4 (2) (c)	Failing to arrange or move goods at the request of a person whose lawful duties include the supply of essential public services so as to permit the carrying out of such services	R150-00
Regulation 4 (2) (d)	Failing to remove goods from place of business overnight between the hours of 19:00 and 07:00	R150-00

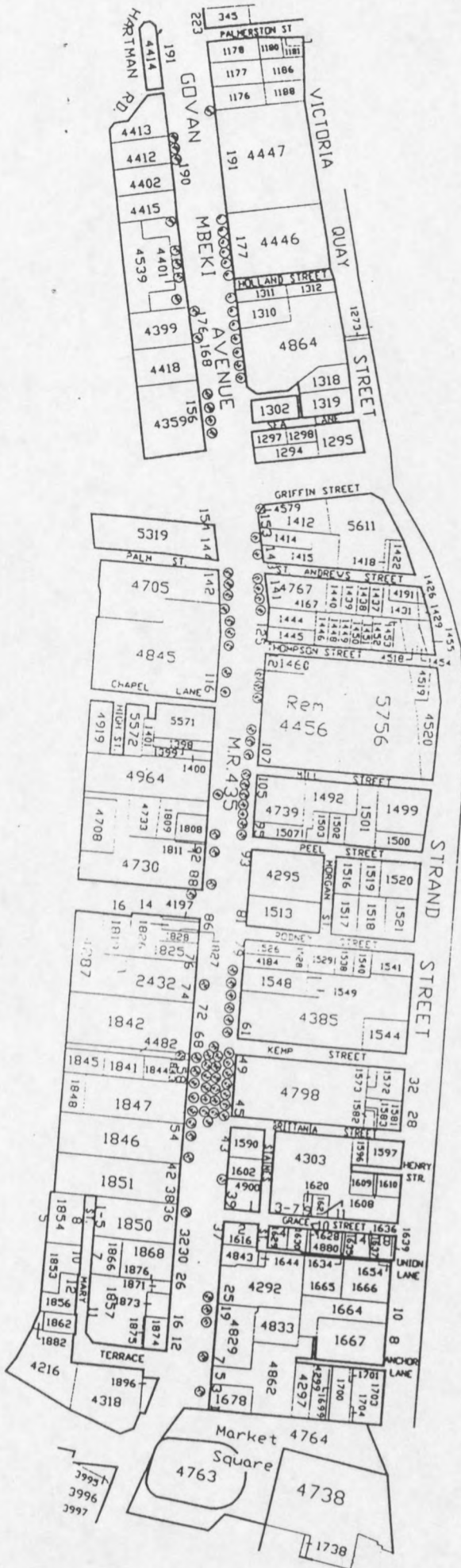
This determination is applicable to the Magisterial district of Port Elizabeth, substitutes all previous determinations, if any, and is effective from the date of signature hereof.

P R ROTHMAN  
CHIEF MAGISTRATE / PORT ELIZABETH



ANNEXURE F:

**Trading bays : Govan Mbeki Avenue**



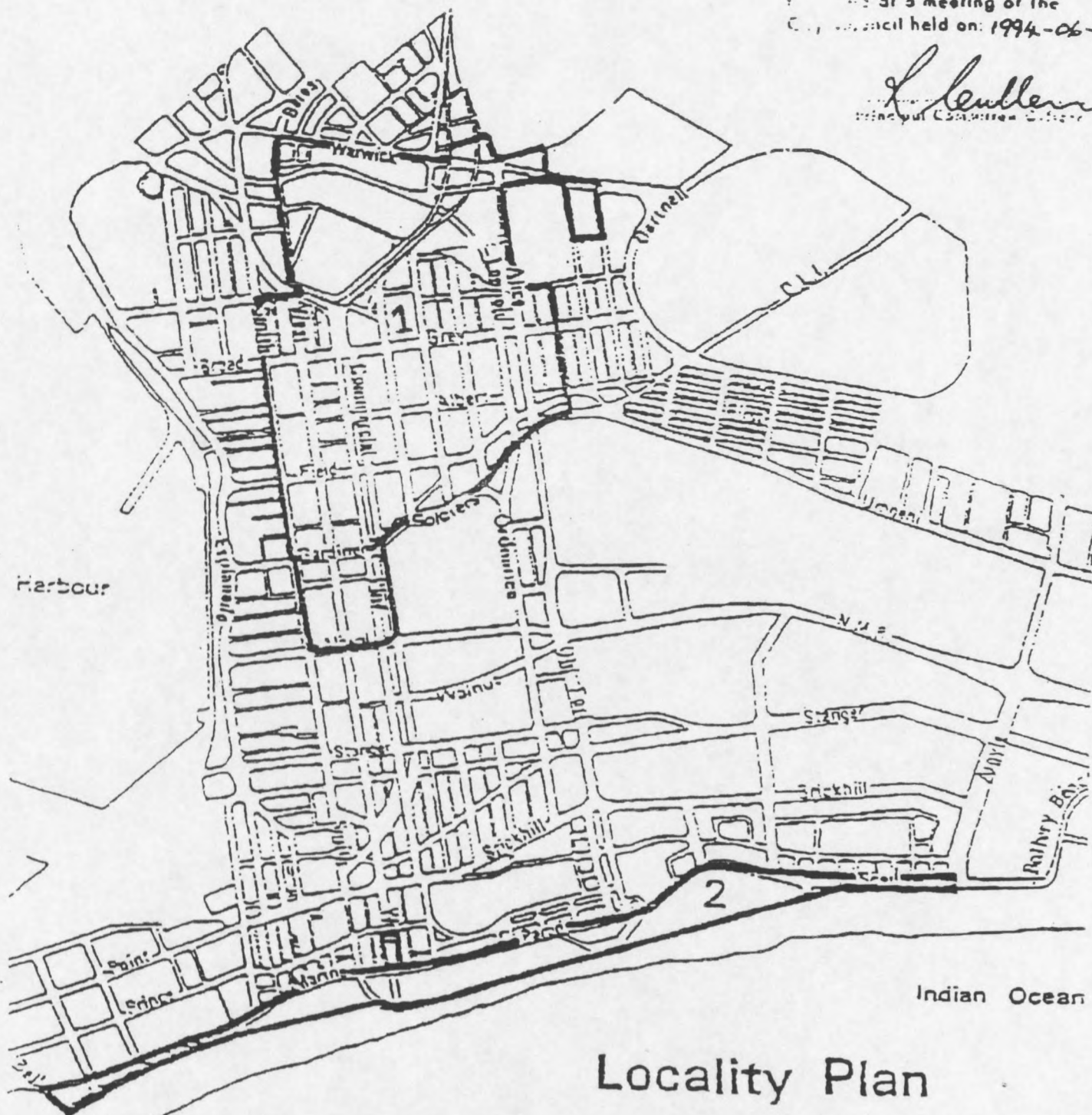


ANNEXURE G:

**Trading Areas : Durban CBD and Beachfront**

1. A resolution was laid on  
the table at a meeting of the  
City Council held on: 1994-06-2

Handwritten signature: *Handwritten signature*



## Locality Plan

FILE REF: 11/4/2/2  
2, 10  
COMMITTEE ITEM 7 DEFERS.